ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W. F. A. TURGEON
Commissioner

A. S. Whiteley, Secretary

VOLUME XVIII

82nd, 83rd, 84th, 85th, 86th and 87th Days.

Mr. McRuer.

Minutes

ROBERT BRYDIE
OFFICIAL REPORTER
TORONTO
CANADA

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ROBT. BRYDIE
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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

E I G H T Y - S E C O N D D A Y

(November 3, 1936)

Robert Brydie,
Official Reporter.

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary.

Appearances:

J.C. McRuer, K.C. and E. Beauregard, K.C.	Commission Counsel,
J.P. Landot, K.C. and R.L. Kellock, K.C.	For Special Committee on Primary Textile Industries.
C.G. Heward, K.C. Aime Geoffrion, K.C. and C.T. Ballantyne,	For Dominion Textile Company.
S.G. Dixon, K.C.	For Courtaulds, Limited.
L.A. Forsyth, K.C.	For Canadian Celanese Limited, and Canadian Silk Products Limited.

La séance reprend à 10.00 Heures du matin.

FRANCOIS VEZINA

témoin déjà entendu et rappelé pour continuer son témoignage .

CONTRE-INTERROGE PAR Me Elie BEAUDARGAS, c.r.:

D Monsieur Vézina, pouvons-nous savoir quelle étude vous aviez donnée à la question des textiles avant d'être appelé à remettre le travail que vous avez soumis à la Commission ? R L'étude, par mon occupation je suis censé en faire, et j'en ai faite une étude spéciale pendant trois ou quatre mois, depuis le mois d'août . J'avais déjà été amené par mon enseignement à m'occuper de questions d'industrie .

D Comme économiste ? R. Comme économiste, comme professeur de géographie économique .

D Vous avez parlé, à plusieurs endroits dans votre travail de ce qu'on peut appeler le développement des villes par le textile ? R. Oui .

D Dans la province de Québec, particulièrement ?

R Oui .

D Ce développement rapide, que vous assignez dans certains cas, particulièrement aux six ou quinze dernières années, paraît avoir augmenté considérablement la population de ces villes ? Est-ce que c'est exact ?

R Non, je n'ai pas dit cela, je ne l'ai pas écrit . Je ne saurais vérifier, je n'ai pas vérifié si les villes avaient vu leur population s'accroître beaucoup pendant cette période-là . Ce que j'ai dit, n'est-ce pas, c'est uniquement qu'au cours de cette période, on

Il n'avait répondu à aucune de ses questions.

PRÉSIDENT : [illegible]

Témoin déjà entendu et rappelé pour continuer son témoignage.

Du CONTRE-INTERROGATOIRE de Me Alex Bastien, c.r. :

Q. Monsieur Tolan, pourriez-vous prendre quelques minutes de votre activité consacrée à la question des textiles avant d'être appelé à remettre le travail que vous avez commencé à la commission ? R. N'étude, par mon collègue le conférencier de Cairo, et j'en ai lu un grand nombre ces jours, ou j'en ai lu ces jours-ci. J'avais fait [illegible] à l'ONAT. J'avais fait [illegible] pour mon travail à l'occasion de questions d'importance.

Q. Quelle nature ? R. Comme journaliste, de produits de [illegible] économique.

Q. Vous avez parlé, à plusieurs endroits dans votre travail de ce qu'on peut appeler le développement des filles par le textile ? R. Oui.

Q. Dans la province de Québec, particulièrement ?

R. Oui.

Q. Ce développement rapide, que vous analysez dans votre travail, particulièrement au cours des [illegible] dernières années, pouvait-il augmenter considérablement la population de ces villes ? Est-ce que c'est exact ?

R. Bien, je crois que oui, je ne l'ai pas vérifié au point de vue statistique. Je n'ai pas vérifié si les filles avaient le plus grand pourcentage d'augmentation comme produit sur la plupart. Ce que j'ai vu, n'est-ce pas [illegible]

a constaté de façon évidente la place prédominante de l'industrie textile dans ces villes .

D Comme professeur et étudiant de géographie économique, savez-vous si, de fait, ces villes, par exemple, Drummondville, et d'autres dont vous avez parlé ont vu leur population augmenter par suite de l'établissement d'industries textiles ? R Dans le cas de Drummondville, la population a certainement augmenté . Je ne peux pas dire dans quelle proportion pour les autres, ni même pour Drummondville , parce que je n'ai pas de chiffres . Il faudrait prendre les recensements et voir .

D Dans le cas de Louiseville ? R Je ne le sais pas, je n'ai pas d'idée .

D Ceci n'entre pas dans vos études de professeur de géographie économique, de savoir si telle ou telle industrie a provoqué une augmentation de population appréciable dans tel ou tel centre ? R Sans doute Seulement, vous avouerez que le professeur n'a pas le temps d'étudier toutes les industries en même temps . Je les étudie les unes après les autres .

D Vous ne pouvez pas dire dans quelle proportion une industrie a augmenté la population d'une ville ?

R Non, parce que, enfin, même si la population a augmenté, je ne peux pas affirmer que c'est dû uniquement à l'industrie . Ce que je peux dire, c'est dans quelle proportion cette industrie permet à la population de subsister à l'heure actuelle .

D Vous ne savez pas si la population de Drummondville, de Louiseville ou d'autres centres de même

- vendais le fonds dévoués ici pour [illegible] industrielle textile dans ces villes .

D - Dans professeur et étudiant de géographie économique, [illegible] ici, de fait, pas utilisé, par exemple, [illegible], et d'autres dont vous avez parlé ou les [illegible] [illegible] ? -

D - Dans la zone de Jacksonville, la population a certainement augmenté . Je ne peux pas dire de a quelle proportion pour les usines, ni même pour Drummondville , parce que je n'ai pas de chiffres . Il faudrait prendre les recensements [illegible] .

D - Dans la zone de Jacksonville ? R - Je ne le vois pas, je n'ai pas d'idée .

D - Cela n'entre pas dans vos études de géographie économique, de savoir si telle ou telle industrie a provoqué une augmentation de population appréciable dans tel ou tel centre ? R - Dans nos [illegible], nous avons vu la [illegible] [illegible] le temps [illegible] les [illegible] [illegible] .

D - Vous ne pouvez pas dire dans quelle proportion une industrie a augmenté la population d'une ville ? R - Non, parce que, enfin, même si la population a augmenté, il ne sera pas nécessaire [illegible] à l'industrie . De sorte je pense [illegible] quelle proportion cette industrie [illegible] à la [illegible] de [illegible] à l'heure actuelle .

D - Vous ne savez pas si la population de [illegible]

nature, était engagée dans d'autre travail que celui-là avant d'être engagée dans l'industrie du textile ?

R Je ne pourrais pas vous dire . Encore une fois, je n'ai étudié la situation qu'en 1934, sans remonter beaucoup plus loin .

D Puisque vous touchez les dix ou quinze dernières années ..... R Non, six ou sept. Je m'indique que les années de la crise, qui ont montré un état assez stable de l'emploi dans ces industries .

D C'est-à-dire que vous n'êtes pas en état, par conséquent, de nous dire quel était l'emploi de cette population, actuellement occupée aux textiles, quel étsit son emploi avant d'être occupée aux textiles ?

R Je ne pourrais pas vous dire, non .

D Vous ne savez pas si c'est une population qui vivait des travaux de la terre ounqui vivait par son travail dans d'autres usines ? R Si vous prenez la ville de Sherbrooke, il faudra remonter à 1846 .

D Vous parlez du développement de Drummondville d'une façon spéciale; c'est pour cela que je vous en parle . R Drummondville a vu se développer sa population manufacturière très rapidement .

D Savez-vous à quoi était engagée cette même population, avant d'être engagée dans le travail des textiles ? R Si vous voulez me donner le chiffre de la population en 1921 et en 1911 ....

D Je vous l'aurais plutôt demandé, étant donné vos fonctions de professeur de géographie économique.

R Sans doute, j'avoue que je ne connais pas la

nature, étant engagée dans d'autre travail que celui-
là dans l'être engagé dans virtuellement un vertical ?
R Je ne pourrais pas vous dire . Essayez une idée,
je n'ai étudié le mécanisme [illegible], mais comprenez
lentement pour lire .
D Puisque vous connaissez les prix en quinze centièmes
année ..... R Non, pas en sept. Le régiment
qui les causes de la crise, qui ont mentre en cette
année étudie de l'emploi dans ces industries .
D Qu'est-ce-dire que vous n'être pas en état, par
conséquent, de nous dire quel était l'emploi de cette
consistion, actuellement occupée en textiles, quel
était son emploi avant d'être occupée aux textiles ?
D Je ne pourrais pas vous dire, non .
D Vous ne savez pas si c'est une population qui
vivait des travaux de la terre comme vivait par nous
trouvait dans d'autres valeur ? R Si vous parlez
la ville de Sherbrooke, il faudra remonter à 1881 .
D Vous parlez du développement de Drummondville
d'une façon générale; c'est pour cela que je vous en
parle . R Drummondville a vu se développer
sa population manufacturière très rapidement .
D Pourquoi à mon était engagée cette cette [illegible]
[illegible], [illegible] engagée dans la [illegible]
textiles ? R Si vous voulez me nommer le district
de la population en 1871 et en 1881 ....
D Je vous l'indique plutôt [illegible]. Vous [illegible]
vos [illegible] de [illegible] [illegible]
D Vous avez l'étude [illegible] [illegible]

population de toutes les villes et de tous les villages de la province,- et surtout leur développement .

D Vous dites, à la page 51ème de votre travail: "Le cas de Drummondville, notamment, tient du prodige. Drummondville doit son existence et son développement à peu près exclusivement aux textiles." Est-ce que cela ne voudrait pas dire que la population a augmenté ? R Elle a sûrement augmenté dans la proportion où l'industrie textile a employé de nouveaux employés .

D Vous ne savez pas si ces gens étaient autrefois occupés en grande partie aux travaux de la terre ?

R Je ne peux pas dire d'où ils viennent .

D Ni quelle proportion étaient occupés dans d'autres industries ou dans d'autres villes ? R Je ne le sais pas . Personne ne peut nous renseigner là-dessus .

D Savez-vous, comme professeur de géographie économique, si la population des villes a augmenté, disons dans les dix dernières années ? R Certainement, elle a augmenté .

D La population des villes a augmenté ? R C'est ce que le recensement nous apprend . Je ne pourrais pas dire dans quelle proportion .

D Savez-vous si cet accroissement de la population des villes vient des autres centres de la province de Québec ou des centres ruraux ? R Il vient en partie des centres ruraux, d'après les statistiques, et en partie d'autres villes aussi . Il y a eu une

population de toutes les villes et de tous les v.-
lages de la province,- et surtout leur développement
D Vous dites, à la page 1400 de votre travail:
"e ces de démographie, notamment, étant du produit
démographique dont nous avons besoin et non développement
à pas pas exclusivement aux textiles." Est-ce que
cela ne pourrait pas dire que la population a augmen-
té ? R Elle a énormément augmenté dans le province
où l'industrie textile a employé de nouveaux ma-
chines .

D Vous ne avez pas si cela étaient autrefois
comme ça en grande partie aux travaux de la terre ?
R Je ne pas pas dire s'où ils viennent .

D Il [illegible] beaucoup [illegible] dans d'au-
tres industries ou dans d'autres villes ? R Je ne
le sais pas . Personne ne peut nous renseigner là-
dessus .

D Dites-vous, comme problème de géographie humai-
ne, si la population des villes a augmenté, comme
[illegible] ? R Certainement,
elle a augmenté .

D La population des villes a augmenté ? R C'est
ce que le recensement nous apprend . Je ne pourrais
pas dire dans quelle proportion .

D Dites-vous si cet accroissement de la population
des villes vient des autres parties de la province ou
bien des centres ruraux ? R Il vient en par-
tie des centres ruraux, d'après les statistiques, et

décentralisation de l'industrie, et, en même temps, une certaine déruralisation .

D Quand vous dites "une décentralisation de l'industrie", qu'est-ce que vous voulez dire ? R Je veux dire que les industries s'étaient concentrées surtout dans les grandes villes comme Montréal etc., et que depuis quinze, vingt ans, il y a eu une tendance très nette de l'industrie à s'établir dans des centres moins considérables .

D Si vous ne le savez pas pour Drummondville, dont vous parlez particulièrement, évidemment, vous ne le savez pas pour les autres centres ? Vous ne savez pas quelle était l'occupation, en général, des employés des textiles, par exemple, dans les villes de Saint-Hyacinthe, de Granby ou autres centres de la même nature ou de la même population ? R Je ne peux pas l'affirmer d'une façon certaine, mais j'ai pu en déduire, d'après la situation actuelle, d'après la part que tient actuellement l'industrie textile, qu'il devait en être ainsi il y a dix, vingt ans, dans la proportion où cetteindustrie était développée .

D Serait-il juste de dire que cette population qui est actuellement employée dans l'industrie textile dans la proportion de soixante pour cent, soixante et dix pour cent et même quatre-vingts pour cent dans certains petits centres, d'après votre travail, serait-il juste de dire que cette population était autrefois occupée à des travaux de la terre ? R Je ne pourrais pas dire dans chaque cas. Il est probable qu'une partie était occupée à des travaux de la terre. Je

une certaine décentralisation.

D. Quand vous dites "une décentralisation de l'industrie", n'est-ce que vous voulez dire ? R. Je veux dire que les industries s'étaient concentrées surtout dans les grandes villes comme Montréal etc., et que depuis quelque, vingt ans, il y a eu une tendance très forte de l'industrie à s'établir dans des centres moins considérables.

D. Si vous ne le savez pas pour Rouyn-Noranda, tout vous parles particulièrement, évidemment, vous ne le savez pas pour les autres centres ? Vous ne savez pas quelle était l'occupation, en général, des employés des textiles, par exemple, dans les villes de Saint-Hyacinthe, de Granby ou autres centres de la même nature ou de la même population ? R. Je ne peux pas l'affirmer d'une façon certaine, mais j'ai pu en déduire, d'après les statistiques générales, d'après la sorte des idées naturellement l'industrie textile, qu'il devait en être ainsi il y a dix, vingt ans, dans la première partie où cette industrie était développée.

D. Serait-il juste de dire que cette population qui est actuellement employée dans l'industrie textile le doit à la température de pénétrée pour avoir, maintenant et les plus vieux et plus centenaires pour leur ?m a matière première ? R. Je ne pourrais pas dire que la main-d'oeuvre textile, depuis, il faite de cette population qui est actuellement employée dans l'industrie textile, depuis vingt ans, d'après notre travail, depuis il faite de cette population qui est actuellement employée dans l'industrie textile, depuis vingt ans, d'après notre travail, depuis

n'ai pas fait d'études de l'origine de la population de chaque ville .

D Ni d'aucune ville en particulier ? R Ni d'aucune ville en particulier . C'est là une étude de démographie qui ne relevait pas directement de l'étude que je faisais .

D D'après votre expérience générale, peut-on dire que cette population est plus utile, occupée qu'elle est aux travaux de l'industrie textile dans les centres manufacturiers, qu'elle ne pouvait l'être, occupée aux travaux de la terre, précédemment ? R Je ne peux pas répondre à cette question . Le caractère d'utilité d'une population ne se mesure pas . Vous ne pouvez pas dire qu'elle est plus utile dans l'agriculture ou dans le textile . C'est une question de besoins de la population en général .

D Vous n'êtes pas en état de répondre à cette question ? R Non, je ne répondrai pas à cette question, sûrement pas; je ne crois pas pouvoir répondre à cela .

D Vous n'êtes pas en état de le dire si l'habitant de la province de québec est plus utile occupé aux travaux de la terre qu'occupé dans une usine ? R Scientifiquement, vous ne pouvez pas répondre à cette question .

D Et même "non scientifiquement" pouvez-vous y répondre ? R Vous pouvez y répondre du point de vue sentimental . Vous pouvez dire que le cultivateur est plus utile jusqu'à un certain point .

D Ce serait un point de vue sentimental ? R Au

n'ai pas fait d'études de l'évolution de la population
en général.

R - Si n'importe ville en particulier ? - Si d'une
une ville en particulier. C'est là une étude de
démographie qui se relève à des directeurs de l'éco-
de ou à la relaie.

D - Quelle votre expérience personnelle, pensez-vous
que cette population est plus utile, compte qu'elle
est sur travaux de l'industrie textile dans les centres
manufacturiers, multiples autres villes, comme
travaux du la terre, présentement ? - Je ne peux
pas répondre à une question. Je manque d'élé-
ts d'une population ne se mesure pas. Vous ne pouvez
pas dire qu'elle est plus utile dans l'agriculture ou
dans le textile. C'est une question de besoins de
la population en général.

D - Vous n'êtes pas en état de répondre à cette ques-
tion ? - Non, je ne connais pas la répon-
tion, évidemment pas; je ne crois pas pouvoir répondre
à cela.

D - Vous n'êtes pas en état de me dire si l'équi-
ment de la province de québec est plus utile comme
matériel de la terre qu'comme textile ?

R - Malheureusement, vous ne pouvez pas répondre à
cette question.

D - Et même pas scientifiquement pouvez-vous
répondre ? - R - Vous pouvez répondre du point
de vue sentimental. Vous pouvez dire que l'équipe-
ment est plus utile pour le service public.

point de vueéconomique, toutes les industries sont utiles.

D Le sont-elles au même degré ? R Dans le degré où en général, elles sont rentables, où elles donnent des profits . Si elles ne donnent point de profits, c'est qu'elles consomment plus qu'elles ne créent .

D Vous voulez dire que vous ne pourriez pas comparer l'utilité du terrien, de celui qui est occupé aux travaux de la terre, à l'utilité de celui qui est occupé aux travaux des usines ? Vous ne pouvez pas l'apprécier au point de vue scientifique mais simplement au point de vue sentimental ? R Si vous voulez que je corrige ce que je viens de dire ....

D Je ne tiens pas à ce que vous corrigiez ce que vous venez de dire, je voudrais que vous précisiez .

R Je vais essayer de préciser . Il est certain que l'agriculteur produit des choses absolument essentielles, qui répondent en partie à l'alimentation et en partie aux vêtements ; de même, l'industrie textile et les industries en général continuent l'oeuvre qui a été commencé par l'agriculteur. Faut-il établir une analogie entre leur utilité parce que les opérations se succèdent, je n'en sais rien .

D Vous ne seriez pas capable de l'établir ? R Je ne crois pas qu'il soit utile de l'établir, non plus .

D Vous avez fait, à la page 131ème de votre travail, ce qui m'a paru une distinction entre le coton et le bois, quant au lieu de provenance . Vous dites : "Approvisionnement en matières premières . La situation

utile.

D Le sont-elles en vous depuis ? R Dans le dé-
but de ma profession. Elles sont remarquées, et elles con-
tent des profits. Si elles ne donnent point de pro-
fits, c'est qu'elles consomment plus qu'elles ne pro-
duisent.

D Vous voulez dire que vous ne pourriez pas compa-
rer l'utilité du terrien, de celui qui est occupé aux
travaux de la terre, à l'utilité de celui qui est oc-
cupé des travaux du métiers ? Vous ne pouvez pas
l'apprécier au point de vue scientifique mais simple-
ment au point de vue sentimental ? R Si vous vou-
lez que je corrige ce que je viens de dire ....

D Je me tiens pas à ce que vous corrigiez ce que
vous venez de dire, je voudrais que vous précisiez .

R Je vais essayer de préciser . Il est certain qu'
(partie) (ouvrier) ne dépense absolument rien(illegible)
ion. Les exploitants ne partie à l'alimentation de la
population des villes ; ils sont. L'industrie et
et les industriels en général continuent l'oeuvre qu'
a fait commencer l'agriculture. Sont-ils établis
meilleur entre leur utilité envers les agriculteurs
et mesdames, je n'en sais rien .

D Vous ne serez pas capable de l'établir ? R Je
ne crois pas qu'il soit utile de l'établir, non plus .

D Dans ce cas, à ce jour tâchez de rester trans-
ce qui n'a pas une distinction entre le coton et la
laine, sont de plus en commerce . Vous tirez l'exp-
ortation, sont des matières premières . La définition
[illegible] de matière premières .

à ce point de vue varie d'une industrie à l'autre . On sait que le Canada ne saurait produire une seule livre de coton brut, ni un seul cocon de soie; la géographie en a ainsi décidé pour toujours . Par contre, l'élevage du mouton qu'on peut développer fournit une partie des laines qu'élaborent les filature canadiennes; et, d'autre part, nos forêts contiennent toutes les essences nécessaires à la fabrication des pâtes de bois utilisées pour la production de soies artificielles." C'est-à-dire, n'est-ce pas, que quant au coton il faut l'importer, et quant au bois,- pour laisser la laine de côté pour le moment,- c'est une matière locale ? R Oui, exactement .

D Quelle est, à votre sens, la distinction qu'il faut établir entre la provenance de ces deux produits, de ces deux matières premières, au point de vue de l'utilité, au point de vue de la facilité de produire économiquement dans le pays ? R Au point de vue de la facilité de produire économiquement, ce n'est pas la provenance des matières premières qui détermine cette facilité .

D Au point de vue tarif, croyez-vous que les produits résultant de la matière première indigène ont besoin d'un tarif protecteur aussi élevé que les produits de provenance étrangère ? R Tout dépend du prix que vous payez vos matières premières, et uniquement . Les autres éléments du prix de revient ne sont pas affectés .

D Vous avez répondu en disant que tout dépend du produit : Ne croyez-vous pas qu'il est possible

d'acquérir à meilleur marché les produits d'origine indigène que les produits d'origine étrangère ? R Je ne pourrais pas dire exactement quels sont les prix des produits d'origine indigène et d'origine étrangère .

D Je parle du coton et du bois . R le coton, vous ne pouvez pas l'obtenir au Canada .

D Vous pouvez obtenir le bois ? R Vous pouvez obtenir le bois, mais pas pour faire du coton, pour faire de la soie artificielle .

D Croyez-vous que la soie artificielle provenant du bois ait besoin d'une protection aussi forte que le coton, qui vient de l'étranger ? R Cela, je ne peux pas dire s'il a besoin d'une protection aussi forte, une plus forte, ou moins forte . Il faudrait étudier les éléments du prix de revient et, comme je vous ai dit, ce n'est pas la matière première qui est le principal élément du prix de revient et ce n'est pas lui qui est la cause des différences, en général .

D Quelle serait, d'après vous, la proportion de la matière première dans le prix de revient ? R Cela varie d'une industrie à l'autre . Je ne pourrais pas dire exactement . Je n'ai pas étudié exactement les proportions .

D Quand vous déclarez que ceci n'est pas la partie qui doit affecter plus particulièrement le prix de revient ..... R Je veux dire que d'après l'expérience et d'après les études qu'a faites la Commission du Tarif, ce n'est pas sur les matières premières que

d'acquérir à meilleur marché les produits d'origine indigène que les produits d'origine étrangère ? R. Je ne pourrais pas dire exactement quels sont les prix des produits d'origine indigène et d'origine étrangère.

Je parle du coton et du bois. R. Le coton, vous ne pouvez pas l'obtenir au Congo.

D. Vous pouvez obtenir le bois ? R. Vous pouvez obtenir le bois, mais pas pour la fin du coton, pour faire de la soie artificielle.

D. Croyez-vous que la soie artificielle provenant du bois ait besoin d'une protection aussi forte que le coton, qui vient de l'étranger ? R. Oui, je ne veux pas dire s'il a besoin d'une protection aussi forte, une plus forte, ou moins forte. Il faudrait étudier les éléments du prix de revient et, comme je vous ai dit, ce n'est pas la matière première qui est le principal élément du prix de revient et ce n'est pas lui qui est la cause des différences, en général.

D. Quelle serait, d'après vous, la proportion de la matière première dans le prix de revient ? R. Cela varie d'une industrie à l'autre. Je ne pourrais pas dire exactement. Je n'ai pas étudié exactement les proportions.

D. Quand vous déclarez que ce n'est pas la matière, cela doit refléter plus particulièrement le prix de revient ..... R. Je veux dire que d'après l'expérience et d'après les études qu'a faites la commission

les écarts de prix sont le plus marqués, les écarts de prix de revient .

D Prétendez-vous que la matière première n'affecte pas sérieusement les écarts de prix ?

LE TEMOIN : Les écarts de prix de revient ?

Me BEAUREGARD : Les écarts de prix de revient, oui .

R Dans le cas de la comparaison qui a été faite entre les prix britanniques et les prix canadiens, la matière première les a affectés, mais pas dans une grande proportion .

D D'après vous, le prix de revient des matières premières n'entrerait pas comme élément important dans le prix de compétition ? R Il entre jusqu'à un certain point .

D Jusqu'à quel point ? R Pas dans une forte proportion .

D Au point de vue du législateur, ce serait un élément pratiquement négligeable que celui du prix de revient de la matière première ? R En général, oui, sauf pour les industries qui ont à acquitter elle-même des droits sur leurs matières premières .

D C'est précisément pour cela que je vous pose la question, parce que le coton est un produit qui doit acquitter les droits sur la matière première tandis que le bois ne doit pas en acquitter .

Me LANCTOT : Les prémisses ne sont pas exactes . La matière première est achetée sur un marché mondial, on ne paie pas de droit d'entrée.

Me BEAUREGARD : Vous prétendez que le coton entre en franchise ? R Le coton entre en franchise .

les écarts de prix sont le plus marqués, les écarts de prix de revient.

D Prétendez-vous que la matière première n'intervient pas directement les écarts de prix ?

LE TRIBUN : Les écarts de prix de revient ?

Me BRUNEAUGAND : Les écarts de prix de revient, oui.

R Dans le cas de la comparation qui a été faite entre les prix britanniques et les prix canadiens, la matière première lui a affecté, mais pas dans une grande proportion.

D D'après vous, le prix de revient des matières premières n'intervient pas dans l'abaissement du prix de compétition ? R Il entre jusqu'à un certain point.

D Jusqu'à quel point ? R Pas dans une forte proportion.

D Au point de vue du législateur, ce serait un élément pratiquement négligeable que celui du prix de revient de la matière première ? R Au point de vue, sauf pour les industries qui ont à acquitter elles-mêmes des droits sur leurs matières premières.

D C'est précisément pour cela que je vous pose la question, parce que le coton est un produit qui doit acquitter les droits sur la matière première tandis que le bois ne doit pas en acquitter.

Me LAFONT : Les prohibitions ne sont pas connues. La matière première est admise sans acquitter aucun droit, ou du moins pas de droits d'entrée.

Me BRUNEAUGAND : Vous prétendez que le matériel

D Mais qu'il entre à divers stages de production ?

R Sans doute . Mais ce n'est pas la matière brute. Le coton brut entre en franchise . Il y a des droits sur les filés, de douze et demi pour cent, et pour l'industrie textile première, qui nous occupe, c'est seulement cela .

D Vous dites à la page 141ème : "En somme, l'industrie cotonnière ne dépend de l'étranger que pour la matière première initiale." Quelle est la matière première initiale ? R Le coton brut .

D Qu'est-ce que vous faites de la machinerie ?

R Je ne la considère pas comme matière première à proprement parler . J'en ai parlé plus loin .

D Considérez-vous que la machinerie servant à la manufacture du coton est produite ici, au pays ? R Je ne crois pas qu'elle soit produite au pays .

D Savez-vous d'où vient cette machinerie ? R Elle vient ou des Etats-Unis ou de l'Angleterre, et même, en ces derniers temps, du Japon . Je réponds d'après mes souvenirs .

D Si elle est importée, ne croyez-vous pas qu'elle doive être traitée comme un empêchement à produire à bon marché ? R Ah, sans doute, comme instrument de production, mais pas comme matière première . Elle est considérée, au point de vue économique, comme un capital de production .

D Vous ne considérez pas que le manufacturier de coton soit dans une positions particulièrement difficile au Canada en important, d'un côté, la matière première, le coton, et en important, de l'autre côté,

la machinerie pour l'ouvrer ? R Non . Enfin, il s'agirait de déterminer, pour le savoir, quelle est la part que représente l'amortissement des outillages dans l'ensemble du prix de revient,- et uniquement, cela .

D Pouvez-vous donner une idée à ce sujet ? R Non, je ne peux pas faire de calculs . Je vous indique où il faudrait faire le calcul . Je ne l'ai pas fait .

D Vous n'avez pas fait le calcul, vous ne pouvez rien dire là-dessus ? R Non .

D Pouvez-vous dire, à votre sens, quelle est la mesure de protection qu'il faudrait donner au manufacturier de coton qui achète à l'extérieur son coton et qui achète à l'extérieur sa machinerie, pour faire compétition aux pays qui lui vendent le coton et la machinerie ? R Ah, je ne pourrais pas dire, parce qu'il n'y a pas seulement la matière première et la machinerie dont il faudrait tenir compte, il y a tous les autres éléments du prix de revient .

D Pouvez-vous dire jusqu'à quel degré il faut tenir compte de la matière première et de la machinerie importées de l'étranger dans la compétition du manufacturier canadien contre l'étranger qui lui vend et le coton et la machinerie ? R Pour ma part, je m'en suis tenu aux conclusions de la Commission du Tarif, sur ce point . J'estime qu'elle doit avoir justifié ses conclusions, puisque le travail a été préparé par des experts .

D Dans tous les cas, cela ne vous intéressait pas ? R Cela ne m'intéressait pas . Je n'ai

la manufacture sous l'autorité [illegible] . Enfin, le
président du Conseil, dans le rapport, parle des
la part des propriétaires l'accroissement des salaires
dans l'assemblée du prix de revient, et ensuite
enfin -

Interrogation [illegible] à ce point - Non,
je ne peux pas en faire le calcul . Je vous indique où
il faudrait faire le calcul . Je ne l'ai pas fait .

Tout n'avez pas fait le calcul, vous ne pouvez
rien dire là-dessus ? R Non .

Pouvez-vous dire, à votre avis, quelle est la
mesure de protection qu'il faudrait donner au manu-
facturier de coton qui adhère à l'exposition des coton
et qui adhère à l'exportation en manufacture, pour faire
concurrence aux pays qui lui vendent le coton en la
manufacture ? R Ah, je ne pourrais pas dire, parce
qu'il n'y a pas seulement la matière première et la
manufacture dont il faudrait tenir compte. Il y a beau-
coup de autres éléments de prix de revient .

Pouvez-vous dire jusqu'à quel degré il faut tenir
compte de la matière première et de la manufacture in-
dustrielle de l'étranger dans la modalité de concur-
rence de l'étranger ? R Tout ce que, je
pourrais vous dire sur la modalité de la concurrence
étrangère, c'est ce qui . L'heure qu'elle doit avoir
[illegible] ces manufactures, puisque le travail a été
[illegible] par des experts .

Pour leur les [illegible], [illegible]

pas fait d'études des prix de revient à fond, n'est-ce pas .

D A ce sujet, pouvez-vous dire quelle doit être la mesure normale de la protection, dans un pays, pour se défendre contre la compétition des produits étrangers ? R LÀ-dessus, je ne pourrais vous donner qu'une opinion personnelle . Il y a des théories et c'est controversé . En principe, la comparaison admise dans les pays qui font de la protection, c'est que le droit doit être suffisant pour compenser les écarts de prix de revient .

D Etes-vous en état de dire, quant au coton, si les droits imposés sur le coton ouvré ou les tissus de coton, au Canada, sont des droits qui tiennent compte de cette différence du prix de revient ? R Si j'accepte l'autorité de la Commission du Tarif, je vais répondre oui .

D Alors, vous n'avez pas d'autre réponse à nous donner que celle-là ? R Je me retranche derrière l'autorité de la Commission du Tarif, qui est là pour faire ces études, ces enquêtes, et dont les conclusions sont connues .

M. LE COMMISSAIRE : Pour ce qui regarde la concurrence anglaise ? R Pour ce qui regarde la concurrence anglaise . Je ne vais pas plus loin .

Me BEAUBOARD : Etes-vous en état de dire si la protection,- tarif intermédiaire et tarif général, - quant au coton ouvré, soit le filé, soit le tissu, dépasse la différence entre le prix de revient du produit canadien et le prix de revient du produit étran-

[illegible]

[illegible] .

D A ce sujet, pensez-vous que cette cette mesure normale de la protection, dans un pays, peut se différencier contre la compétition des produits étrangers ? R Là-dessus, je ne pourrais vous donner [illegible] . Il y a [illegible] et c'est controversé . En principe, la compensation résulte dans les pays qui font de la protection, c'est que le droit doit être suffisant pour compenser les écarts de prix de revient .

D Etes-vous en état de dire, quant au coton, si les droits imposés sur le sucre ont le [illegible] coton, ou Cuba, sont des droits qui tiennent compte de cette différence du prix de revient ? R Je n'accepte l'autorité de la Commission du tarif, je vais répondre oui .

D Alors, vous n'avez pas d'autre réponse à nous donner que celle-là ? R Je me [illegible] l'autorité de la Commission du Tarif, qui est là pour faire des études, des enquêtes, et dont les conclusions sont connues .

M. [illegible] : Pour ce qui regarde la concurrence européenne ? R Pour ce qui regarde la concurrence anglaise . Je ne vais pas plus loin .

M. [illegible] : Etes-vous en état de dire si le producteur,- tarif inter-colonial et tarif général, - [illegible] ouvré, soit le lin, soit le tissu, [illegible] la différence entre le prix de revient du [illegible] et le prix de vente [illegible]

ger ? R Je ne pourrais pas le dire, je ne le sais pas .

D Vous n'en savez rien ? R Non .

D A la page 11ième de votre travail, vous dites "que l'approvisionnement de ces matières premières "est assuré par des firmes hautement organisées," De quelles firmes, voulez-vous parler ? R Je parle des entreprises commerciales qui assurent l'approvisionnement .

D Vous ne parlez pas des compagnies de textiles ? R Dans certains cas, il y a des agences directes; dans d'autres cas, ce sont des maisons de représentation . Je l'indique d'ailleurs plus loin, dans le cas du coton, comment il est importé, et je le reprends pour le cas de la soie, etc.

D Croyez-vous qu'il soit nécessaire qu'une compagnie soit hautement organisée pour acheter au prix des marchés mondiaux ? R Il faudrait tout de même qu'elle soit organisée .

D Qu'est-ce que vous voulez dire par "hautement organisée" ? R Je veux dire qu'elle soit organisée de façon à rendre réellement le service qu'elle doit rendre .

D C'est cela que veut dire "hautement" ? R Oui; organisées d'une façon compétente .

D Pour finir par acheter au prix du marché ? R Certainement, et établir les relations utiles pour cela .

D Connaissez-vous quelque chose sur l'organisation proprement dite des compagnies de textiles, l'organisation entre les compagnies ? R Je n'ai pas

ger ? R Je ne pourrais pas le dire, je ne le sais pas .

D Vous n'en savez rien ? R Non .

D A la page 1.4 de votre brevet, vous dites "que l'approvisionnement de ces matières premières "est assuré par des fermes hautement organisées," ou quelles fermes, voulez-vous parler ? R Je parle des exploitations commerciales qui alimentent l'approvisionnement .

D Vous ne parlez pas des coopératives de traitéen ?

R Dans certains cas, il y a des sources diverses; dans d'autres cas, ce sont des maisons de représentation . Je l'indique d'ailleurs plus loin, dans le cas du coton, comment il est importé, et je le trouve pour le cas de la soie, etc.

D Voulez-vous dire qu'il est nécessaire qu'une firme soit hautement organisée pour monter un prix des matières premières ? R Il faudrait tout de même qu'elle soit organisée .

D Qu'est-ce que vous voulez dire par "hautement organisée" ? R Je veux dire qu'elle soit organisée de façon à rendre possible le service qu'elle doit rendre .

D C'est cela que vous dites "hautement" ? R Oui organisées d'une façon compétente .

D Pour finir par monter un prix à marché ? R Certainement, et obtenir les relations utiles pour cela .

D Connaissez-vous quelque chose sur l'origine [illegible] dite des coopératives de tarifiés, l'origine [illegible] ? R Je n'ai pas

étudié les relations des entreprises entre elles .

D Connaissez-vous l'importance relative des compagnies, les unes à l'égard des autres ? R Je sais qu'il y a des entreprises plus considérables les unes que les autres .

D Vous n'avez aucune précision à nous donner ? R Je ne pourrais pas dire leur importance relative . Je pourrais le dire "grosso modo", approximativement, sans avoir fait d'étude .

D Vous avez dit avoir reçu des chiffres de l'Institut des Textiles . Connaissez-vous cet Institut des Textiles ? R Je n'ai pas reçu de chiffres de l'Institut des Textiles, j'ai reçu des chiffres que j'ai tirés de la Revue Annuelle publiée par le "Canadian Textile Journal", qui s'appelle, je crois, "Textile Industry", ou quelque chose comme cela; je ne me rappelle pas le titre . Je peux vous le montrer .

D Le périodique est connu . R "Manual of Textile Industry of Canada."

D C'est une espèce de rapport-réclame publié par l'ensemble des textiles ?

Me LANCTOT : Pas réclame .

LE TEMOIN : C'est un rapport publié par ceux qui connaissent l'industrie textile, je suppose .

Me BEAUREGARD : Par les intéressés ? R Si vous voulez .

D C'est par les intéressés, n'est-ce pas ? R Jusqu'à un certain point .

D Il n'y a pas de cachette là-dedans ? R Non, c'est très clair, par les intéressés . Vous pouvez

Vendre

Après les relations des différentes entre elles .

D Considérez-vous l'importance relative des compagnies, les chiffres des ventes ? R Oh, mais qu'il y a des entreprises plus considérables les unes que les autres .

D Vous n'avez aucune préférence à nous donner ? R Je ne pourrais pas dire leur importance relative . Je préfère la fait "grand monde", [illegible] sans avoir fait d'étude .

D Vous avez dit avoir reçu des ministres de l'Institut des Textiles . Considérez-vous cet Institut des Textiles ? R Je n'ai pas reçu de chiffres de l'Institut des Textiles. J'ai [illegible] des revues du l'et tirés de la Revue annuelle publiée par le "Canadian Textile Journal", qui n'est plus, je crois, "Textile Industry", ou quelque chose comme cela; je ne me rappelle pas le titre . Je peux vous le montrer .

D Le périodique est connu . R "Manual of Textile Industry of Canada."

D C'est une espèce de rapport-réclame publié par l'[illegible] des textiles ?

Me LAMONT : Des réclames .

[illegible] : D'ont un [illegible] publié pas sera qui connaissent l'industrie textile, je suppose .

Me BEAUDRYCARD : Par les intéressés ? R Oui [illegible] .

D C'est par les intéressés, n'est-ce pas ? R Oui [illegible] .

D Il n'y a pas de [illegible] ? R Non,

juger par vous-même ce qu'il y a dedans . Moi, je n'ai pas à porter de jugement sur cette revue-là .

D Vous n'iriez pas même jusqu'à dire que c'est une réclame ? R Je n'irais pas même jusqu'à dire que c'est une réclame, parce qu'au moins les trois-quarts des articles sont tirés des publications officielles de l'Office des Statistiques, d'Ottawa .

D Savez-vous si les compagnies textiles, au Canada, sont organisées entre elles ? R Je l'ignore totalement .

D Sont associées ? R Je l'ignore totalement .

D Savez-vous si elles ont des conversations ou des relations suivies ? R Je n'en sais rien, sauf ce que les journaux ont pu en dire dans l'enquête .

D Au cours de cette enquête ? R Au cours de cette enquête . Je n'en sais rien de plus que cela .

D Vous n'en savez rien d'autre ? R Non .

D Comme économiste, croyez-vous que ce soit une situation saine pour le pays si les compagnies de textiles sont organisées quant aux achats, quant aux salaires, quant aux prix de revient, quant aux prix de vente ?

Me LAMOTOT : C'est partir de prémisses fausses. Est-ce que la question peut être posée de cette façon? Mon savant adversaire part de prémisses qui ne sont nullement établies devant la Cour .

Me BEAUREGARD : C'est un économiste qui est ici pour donner son opinion .

Me LAMOTOT : Mon savant adversaire assume dans sa question que ces faits-là ont été établis .

M. LE COMMISSAIRE : Je dois dire que, jusqu'à présent, il n'y a aucun témoignage établissant une entente au sujet des prix de revient . Il me semble que c'est le contraire qui a été établi . Les compagnies tiennent à ce que leurs voisines ne sachent pas leur prix de revient . Il n'y a aucune entente de prouvée, jusqu'à présent, sur cette question-là, qui est très importante .

Me LANCTOT : C'est pour cela que je m'oppose à cette question .

Me BEAUREGARD : Je change cette partie de la question et je dis : "quant à la façon de calculer le prix de revient", plutôt que "de s'entendre sur le prix de revient."

LE TEMOIN : Les entreprises peuvent fort bien adopter la même méthode de comptabilité pour arrêter leur prix de revient . Cela ne change pas les prix de revient .

D En répondant à l'ensemble de cette question, croyez-vous que ce soit une situation saine pour le pays, pour le consommateur ? R Il faudrait voir si cela existe et, après, on jugerait .

D En présumant que cela existe ? R En présumant que cela existe, il faudrait en voir les effets pour conclure que c'est bon ou mauvais .

D Vous ne pourriez pas le dire avant d'en constater les effets ? R Sûrement pas .

D Vous ne présumeriez pas quels en sont les résultats ? R Je vous avouerai que les présomptions seraient tout de même assez osées .

M. LE COMMISSAIRE : Je dois dire que, jusqu'à présent, il n'y a aucun témoignage établissant une certaine ou sujet des prix de revient . Il me semble que c'est le contrôleur qui a été établi . Les compagnies tiennent à ce que leurs voitures ne mettent pas leur prix de revient . Il n'y a aucune entente de prouvée, jusqu'à présent, sur cette question-là, qui est très [illegible] .

Me LAMONT : C'est pour cela que je m'oppose à cette question .

Me BRAUNSCHWIG : Je change cette partie de la question et je dis : "quant à la façon de calculer le prix de revient", plutôt que "de s'entendre sur le prix de revient."

LE TÉMOIN : Les entreprises peuvent tout bien adopter la même méthode de comptabilité pour arrêter leur prix de revient . Cela ne change pas les prix de vente .

Q En répondant à l'exemple de cette question, croyez-vous que ce soit une situation saine pour le [illegible], sans le [illegible] ? R Il faudrait voir si cela existe et, après, on jugerait .

Q Se présentant que cela existe ? R Se présentant que cela existe, il faudrait en voir les effets pour savoir ce n'est ou non morale .

Q Pour ce pourrez pas le dire avant d'en examiner les effets ? R Absolument pas .

Q Vous ne pouvez rien dire pour ce sont les résultats ? R Je veux savoir que les producteurs se [illegible] .

D Est-ce que ceci ne fait pas partie de l'économie politique, étant posées certaines prémisses, d'en présumer les résultats ? R Non, au contraire . L'économie politique cherche, en principe, à expliquer ce qui est et non pas à expliquer les conséquences d'une chose qui n'existe pas encore .

D Mais en présumant qu'elle existe, est-ce qu'il n'est pas dans le domaine de l'économie politique d'indiquer quels en seraient les résultats ? R Non, je ne crois pas .

D En tous cas, c'est votre réponse ? R Certainement .

D Vous dites à la page 18 de votre rapport : "En 1934, pour ses besoins de force motrice et d'éclairage, l'industrie textile canadienne a acheté pour $2,746,360. de courant électrique . Si l'on tient compte des installations privées, cela constitue une consommation remarquable et qui range l'industrie textile parmi les plus gros clients des producteurs d'électricité ." Qu'est-ce que vous voulez dire par ces mots :"Si l'on tient compte des installations électriques privées" ? R Je veux dire qu'il y a un certain nombre d'établissements industriels textiles qui ont leur propre installation pour la production de l'énergie.

D Ce qui devrait s'ajouter au chiffre que vous avez donné ? R Justement . Il ne s'agit là que du courant électrique acheté des autres entreprises .

D En autant que la province de Québec est concernée, savez-vous si cette somme de $2,746,360.00 payée

Q. Dites-vous que ce fait peut porte du l'économie politique, dans quelle proportion ? R. Non, ce constitue l'économie politique moderne, en pratique, à expliquer ce qui est et non pas à expliquer les conséquences d'une chose qui n'existe pas encore.

Q. Mais on prétendant qu'elle existe, est-ce qu'il n'est pas dans le domaine de l'économie politique d'indiquer quels en seraient les résultats ? R. Non, je ne crois pas.

Q. En tout cas, c'est votre réponse ? R. Parfaitement.

Q. Vous citez à la page 10 de votre rapport : "En 1924, pour ses besoins de force motrice et d'éclairage, l'industrie textile canadienne a acheté pour [illegible] de kilowatts-de heures d'électricité. Si on compte des installations privées, cela constitue une consommation considérable et qui dépasse l'industrie textile pour des plus gros clients des producteurs d'électricité". Qu'est-ce que vous voulez dire par ces mots : "si l'on tient compte des installations électriques privées" ? R. Je veux dire qu'il y a un certain nombre d'industriels spécialisés dont le fait des installations électriques privées.

Q. Ne vous arrive-t-il pas de faire des [illegible] dans ce rapport ? R. Certainement. Il m'arrive [illegible] .

Q. Je crois que la moyenne de quelque [illegible]

par les industries textiles en général retourne, en somme à ce qu'on appelle communément un trust de l'électricité ? R Elle retourne aux fournisseurs d'électricité . C'est tout ce que je puis dire .

Me LAMONT : Il me semble que cette question n'est pas légale .

M. LE COMMISSAIRE : Elle n'est pas assez directe .

LE TEMOIN : Tout ce que je puis dire, c'est que l'industrie textile achète son énergie électrique des industries qui la produisent .

M. LE COMMISSAIRE : Quelle est votre question, monsieur Beauregard ?

Me BEAUREGARD : Je demande au témoin s'il est à sa connaissance qu'en autant que la province de Québec est concernée, le coût de cette consommation de l'électricité, le prix que je viens de mentionner, est payé à ce qu'on appelle communément, dans la province de Québec le trust de l'électricité .

M. LE COMMISSAIRE : Est payé comment ?

Me BEAUREGARD : Est encaissé par ce qu'on appelle communément, dans la province de Québec, le trust de l'électricité .

LE TEMOIN : Je ne peux pas dire s'il s'agit du trust de l'électricité . Tout ce que je puis répondre, c'est que le prix des fournitures de courant électrique est encaissé par ceux qui fournissent le courant . Je ne peux pas dire davantage .

D Savez-vous, de fait, si ceux qui contrôlent la vente de l'électricité ne se trouvent pas être en

même temps ceux qui contrôlent la plus puissante des compagnies textiles, je veux dire la "Dominion Textile" ? R Je n'en sais rien .

D Est-ce que ceux qui contrôlent la vente de l'électricité, dans la province de Québec, ne sont pas en même temps ceux qui contrôlent la plus puissante des compagnies de Textiles, la "Dominion Textile" ?

Me LANCTOT : Est-ce que cela intéresse l'enquête ?

M. LE COMMISSAIRE : Est-ce que vous en savez quelque chose ? R Je n'en sais rien. Je ne connais pas les actionnaires des deux groupes .

Me BEAUREGARD : D Du moment que vous ne le savez pas, il n'y a pas de conclusions à tirer . D'une façon générale, dans votre travail, je constate que le textile a suivi une marche ascendante marquée, disons, dans les dix dernières années ou les sept dernières années, si vous voulez vous limiter à cela. Voulez-vous dire à quoi il faut attribuer cette marche ascendante ? R Je n'ai pas parlé de marche ascendante de l'industrie textile .

D Est-ce qu'il n'appert pas de votre travail que l'industrie textile s'est développée d'une façon particulière dans les sept ou huit dernières années, - la soie,- les textiles, et, en particulier, la soie ?

R Dans le cas de la soie, peut-être bien . Et encore, il faudrait regarder toutes les statistiques. Si vous voulez qu'on regarde les tableaux, on verra .

D Vous ne seriez pas prêt à dire que c'est une

vous trouvez que controlent le plus particulièrement les
usines textiles, je veux dire la "Dominion Tex-
tile" ? R Je n'en sais rien.

D Est-ce que ceux qui contrôlent la vente de
l'électricité, avec le pouvoir de vente, ne sont
pas en même temps ceux qui contrôlent la plus puissan-
te des compagnies de Textiles, la "Dominion Textile" ?

Me LAFFOIT : Est-ce que cela intéresse l'enquê-
te ?

M. le COMMISSAIRE : Est-ce que vous en savez
quelque chose ? R Je n'en sais rien. Je ne con-
nais pas les principaux ingénieurs.

Me MACKENZIE : D Du moment que vous ne le
savez pas, il n'y a pas de conclusions à tirer. D'un-
façon générale, dans votre travail, je comprends que
le textile a suivi une marche ascendante marquée,
disons, dans les six dernières années ou les sept
dernières années, si vous voulez vous limiter à cela.
Voulez-vous dire à quoi il faut attribuer cette ma-
che ascendante ? R Je n'ai pas suivi de marche
ascendante de l'industrie textile.

D Est-ce qu'il n'apport pas de votre travail que
l'industrie textile plutôt stationnaire, tout étant
particulièrement sous les ordres de deux facteurs essentiels,
- la soie,- les textiles, et, en particulier, la soie.
R Dans le cas de la soie, peut-être bien. Je
ne sais, il faudrait examiner toutes les statistiques
ici. Je ne sais pas qu'on vendait des bas de soie,
vraies.

constatation exacte que d'affirmer que l'industrie de la soie s'est développée dans une proportion ascendante dans les sept, huit ou dix dernières années?

R Dans le cas de la soie, je le crois, oui . Et non seulement je le crois, mais cela ressort évidemment des chiffres . Le nombre des employés est passé de 1210 à 9220 .

D Pourriez-vous dire à quelles causes particulières on pourrait attribuer cette marche ascendante?

R Surtout à l'apparition des deux grandes entreprises de soie artificielle, celle de Courtauld et celle de la "Celanese" . Je ne dis pas uniquement, mais surtout à cela .

D Quelles seraient les autres causes, s'il y en a ? R Les autres causes, ce sont les développements des tissages de soie naturelle et de soie artificielle .

Me LANCTOT : Monsieur Vézina, on a attiré votre attention sur le fait qu'il ne se produisait pas de coton au Canada . Est-ce qu'il s'en produit en Angleterre et au Japon ? R Pas en Angleterre, à ma connaissance, qui doit l'importer totalement des Etats-Unis, de l'Egypte et de l'Inde .

D Et au Japon ? R Au Japon, il ne s'en produit pas non plus pour la peine et on doit l'importer presque totalement des Etats-Unis et un peu de l'Egypte .

D L'industrie des textiles .... R Les grandes industries textiles du monde, à l'heure actuelle, sont des industries importatrices de coton brut , sauf

celles de l'inde et celles des Etats-Unis .

D Alors, l'Angleterre et le Japon importent leur coton, comme nous le faisons ? R Exactement .

D Vous êtes au courant un peu de la façon dont s'achète la matière première ? R Pas d'une façon très détaillée . Je sais que certaines maisons plus puissantes achètent directement et que les autres, moins puissantes, achètent par l'intermédiaire d'agents ?

D Vous savez que la Bourse, le marché indique les prix au jour le jour de la matière première ? R Exactement .

D Et que la matière première est supposée s'acheter sur ce marché mondiale ? R Exactement . Il y a plusieurs places où le coton est coté tous les jours et où vous pouvez l'acheter .

D Il y a une Bourse du coton comme il y a une Bourse des valeurs ? R Il y a une bourse du coton, comme il y a une bourse du blé, à Winnipeg .

D C'est une matière première qui est libre pour tout le monde ? R Absolument .

D Avec chance égale d'acheter à un prix aussi bas les uns que les autres, pour un pays ou pour un autre ? R Absolument .

D Maintenant, on vous a opposé le machinerie . Je comprends que nous ne pouvons pas produire ici toutes les machines nécessaires aux textiles ? R Evidemment pas, parce qu'il n'y aurait pas un marché suffisant pour une industrie qui ferait seulement des machines à filer, ou à tisser ou d'autres machines .

ailleurs en l'Inde et outre des mers-unis .

D Alors, l'impérialisme et le fascisme importent leur secteur, comme nous le faisons ? R Exactement .

D Vous êtes en accord un peu de la façon dont s'exécute la matière première ? R Non d'une façon très différée . Je suis que certaines matières plus nouvelles nécessitent directement et sur les autres matières premières, notamment par l'intermédiaire d'autres .

D Vous savez que la Bourse, le marché indique les prix au jour le jour de la matière première ? R Autrement .

D Et que la matière première est supposée s'acheter sur ce marché mondial ? R Exactement . Il y a plusieurs lieux où le coton est coté tous les jours et où vous pouvez l'acheter .

D Il y a une Bourse du coton aussi Il y a une Bourse des valeurs ? R Il y a une bourse du coton comme il y a une bourse du blé, à Winnipeg .

D C'est une matière première qui est libre pour tout le monde ? R Absolument .

D Avec cette liberté d'acheter à un prix assez bas sur les marchés, pour un pays on pour un usine ? R Absolument .

D Maintenant, on vous a composé la marchandise . Je suppose qu'une de ses premières fois produire les machines nécessaires aux textiles ? R Bien sûr, pas. Parce qu'il n'y avait pas un marché suffisant pour une industrie de taille moyenne des machines à vapeur, ou à vapeur ou d'autres machines .

D Maintenant, quant à l'état de ces machines, on est libre de les acheter où on les paie le meilleur marché et où elles sont produites de la façon la plus efficace ? R Exactement .

D Vous avez considéré la machinerie comme un capital?

R Certainement .

D Voulez-vous expliquer le fonctionnement ou l'application de ce capital? R On considère comme capital tous les instruments de production,- comme capital fixe,- et comme capital circulant, les matières premières et les matières accessoires .

D Et on doit considérer l'usure de la machine ?

R On amortit ce capital suivant l'usure ou suivant les progrès de la technique .

D On vous a parlé de l'agriculture et des avantages de l'agriculture sur l'industrie . Est-ce qu'il n'y a pas, à certains moments, surproduction aussi dans les produits agricoles ? R Il peut sûrement y avoir surproduction agricole aussi . Il s'agit de surproduction au sens économique du mot, c'est-à-dire de surproduction en rapport aux besoins qui se manifestent sur le marché , pour répondre à ce qu'on appelle les besoins solvables .

D L'agriculteur qui produit plus qu'il n'a besoin pour sa consommation, ne se trouve-t-il pas un peu dans le cas du manufacturier qui produit plus que la demande ? R Exactement . Il voit ses prix s'avilirw,- l'un et l'autre l'agriculteur comme l'industriel .

D Est-ce qu'il y a certains avantages à avoir , à

D. Malheureusement, dans l'état de son économie, on ne peut libérer les ouvriers qu'en les jeter sur le pavé de la misère, d'où elles sont prêtes de la faire la plus affreuse V. Q. Gouvernement :

R. Vous avez oublié le monopoly comme un trait

R. Gouvernement .

D. Voulez-vous expliquer la fonctionnement ou l'application de ce capital ? R. On considère comme capital tous les instruments de production.- comme capital fixe,- et comme capital circulant, les matières premières et les matières consommées .

D. Et on doit considérer l'usure de la machine ?

R. On compte ce capital suivant l'usure ou suivant les progrès de la technique .

D. Il vous a parlé de l'agriculture et des avantages de l'agriculture sur l'industrie . Pensez-vous qu'il n'y a pas, à certaines conditions, surproduction dans les produits agricoles ? R. Il peut également y avoir surproduction agricole aussi . Il s'agit de surproduction en sens économique du mot, c'est-à-dire de surproduction en rapport avec besoins qui se manifestent sur le marché , pour répondre à ce qu'on appelle les besoins solvables .

D. L'agriculteur qui produit plus qu'il n'a besoin pour sa consommation, se trouve-t-il ou se voit dans le cas du manufacturier qui produit plus que la demande ? R. Certainement . Il voit des pertes .- (Un M. l'abbé l'agriculteur comme l'industriel .

D. Peut-on qu'il y a surplus produits à vendre ? R.

côté de l'agriculture, une industrie complémentaire dans le genre de l'industrie des textiles ? R C'est l'avantage que présente toute industrie en général, au point de vue du débouché que cela procure aux produits agricoles,- débouché direct .

D Les employés sont autant de consommateurs de produits agricoles ? R C'est entendu . Les villes s'approvisionnent dans les campagnes pour leur alimentation .

D Est-ce qu'il y a certains avantages au point de vue de la couleur locale, pour l'industrie du genre des textiles,- parce qu'on semble vouloir nous nier le droit d'entrée,- est-ce qu'il y a des avantages au point de vue de la couleur locale ? R Il faudrait demander la question à tous ceux qui y travaillent .

D A part cela, au point de vue des consommateurs, au point de vue d'avoir des produits qui leur conviennent ? R Je ne saisis pas le sens de votre question .

D Vous avez parlé d'adaptation, vous avez dit que les textiles produisaient pour rencontrer les besoins du pays, à grands sacrifices ? R Je n'ai pas parlé de grands sacrifices .

D A sacrifice, à certains égards ? R Ils s'imposent les efforts nécessaires pour produire ce qui répond aux différents besoins .

D Et cet effort est rémunéré ? R Oui .

D Est-ce qu'il y avantage à cela ? R Il y a avantage pour un pays à se procurer les objets dont

il a besoin pour sa consommation, plutôt que de s'en priver . Dire qu'il est plus avantageux de se les procurer au pays qu'à l'étranger, si on oublie tous les autres facteurs, je ne peux pas répondre à cette question . Mais si vous prenez en considération le fait que l'industrie emploie la main-d'oeuvre, fournit du travail et des revenus, il est évidemment plus avantageux de produire vous-même que de laisser chômer la population .

D Alors, cela constituerait une richesse, que de produire de cette façon ? R Tous les industries constituent une richesse .

D Il n'y a pas d'aventages, d'ailleurs, à se vêtir avec des marchandises japonaises ? Il y aurait plus de fleurs ? R Vous seriez vêtu également . Je ne sais pas si vous seriez vêtu avec des produits de même qualité . Cela ne ressemblerait pas toujours à nos goûts,- je n'en sais rien .

Me BEAUREGARD : Une seule question, monsieur Vézina . Pouvez-vous dire si le pays, en général, tire plus d'avantages à l'emploi de cette main-d'oeuvre dans les textiles, dans la situation actuelle, qu'il n'en tirerait à acheter les mêmes produits de l'étranger, eb percevant un droit limité sur les produits importés ?

M. LE COMMISSAIRE : Vous parlez des textiles, seulement ?

Me BEAUREGARD : Je parle des textiles seulement .

LE TEMOIN : Si l'on perçoit un droit, la différence ne sera pas énorme au point de vue des prix, et vous

il y faudra plus de ressources, vraiment jusqu'à l'infini . Mais qu'il est plus avantageux de se les procurer en Corée qu'à l'étranger, il se crée des autres fréteurs, je ne peux pas répondre à cette question . Mais si vous prenez en considération le fait que l'industrie emploie la main-d'oeuvre, lorsqu'il du travail et des revenus, il est évidemment plus avantageux de produire vous-même que de faisser ébouer la population .

D Alors, cela constituerait une réduction, une de produire de cette façon ? Tous les industriels [illegible] .

Q Il n'y a pas d'avantages, d'ailleurs, à se vêtir avec des manufactures japonaises ? Il y aurait plus de [illegible] . Vous [illegible] . Ce ne sais pas si vous serez vêtu avec des produits de même qualité . Cela ne ressemblerait pas toujours à ces goûts,- je n'en sais rien .

Me [illegible] : Une seule question, monsieur Vézina . Pouvez-vous dire si le pays, en général, gagne plus d'avantages à l'emploi de cette main-d'oeuvre dans les textiles, dans la situation nouvelle, qu'il aire disposé à vendre les même produits de l'étranger, ou pensez-vous qu'il gagne plus avec les produits canadiens ?

M. [illegible] : Vous parlez des textiles, seulement ?

Me [illegible] : Sur les textiles seulement

M. [illegible] : Si j'ai compris ce texte, le [illegible] ne se sert pas [illegible] de vos [illegible], et vous

surez quand même immobilisé une partie de votre population .

D Prenez-vous pour acquis que la population qui travaille actuellement dans les textiles était sans emploi avant d'être dans les textiles ? R Je prends pour acquis que la population qui travaille actuellement dans les textiles ne trouverait pas d'emploi dans d'autres industries, à l'heure actuelle .

D Au jour d'aujourd'hui ? R Oui .

D Vous n'êtes pas en état de dire que la même population,- les textiles ne s'étant pas developpés comme ils se sont développés,- n'auraixxt pas trouvé un emploi ailleurs ? R Je ne dis pas qu'elle n'aurait pas trouvé un emploi ailleurs, je dis qu'elle a trouvé un emploi avantageux dans l'industrie textile .

D Vous ne savez pas d'où vient cette population ? R Je l'ignore .

D Si elle était employée à d'autres travaux avant d'être employée dans les textiles ? R Il y a une partie qui devait être employée dans d'autres travaux mais il est certain que cette industrie existant, dans certains cas, depuis au moins quatre-vingt-dix ans, il est certain qu'il y en a qui n'ont jamais travaillé ailleurs que là .

D Vous ne parlez pas de quatre-vingt-dix ans pour certaines des villes dont vous avez parlé ? R Pour les villes pour lesquelles j'ai montré la place prédominante de l'industrie textile à l'heure actuelle,- surtout depuis quelques années .

D Vous ne parlez pas de quatre-vingt-dix ans pour

Drummondville ? R Certainement pas .

D Vous ne parlez pas de quatre-vingt-dix ans pour Louiseville ? R Certainement pas .

D Pour Granby ? R Non .

D Pour Cowansville ? R Non . J'en parle pour Cherbrooke, par exemple, j'en parle pour Montréal .

D Parce que, à Cherbrooke, il y avait une petite usine, il y a quatre-vingt-dix ans, qui employait peut-être cent personnes ? C'est pour cela que vous en parlez ? R Il reste quand même que l'industrie textile, à l'heure actuelle, emploie, vous savez combien de personnes : 61,000 pour l'industrie primaire dans tout le Canada ; et il reste aussi que cette industrie n'est tout de même pas une création récente, d'une façon générale; on ne peut tout de même pas soutenir que c'est une industrie qui remonte à dix ans, puisqu'elle a fait l'objet d'enquêtes depuis je ne sais pas combien d'années .

D Pour résumer, est-ce dix ans que vous voulez dire ? R Disons dix ans .

D Pouvez-vous dire, depuis dix ans, quelle a été l'augmentation de la main-d'oeuvre dans les textiles, sur ce chiffre de 61,000. ?

R Oui, je peux vous le dire . Pour l'ensemble de l'industrie textile primaire, en 1924, on employait ~~xxx,xxx~~ 42,787, et en 1934, 59,785 .

D Ce qui faisait une différence de .... ? R De 17,000. Et sur ces 17,000, il y en a 8,000 pour l'industrie de la soie, il y en a 2500 pour l'industrie de la laine et 4400 pour l'industrie de la bonneterie

et du tricot . Pour l'industrie du coton, il y a un accroissement, de 1924 à 1934, de 130 personnes .

Me LANCTOT : Dans les derniers dix ans, 130 personnes de plus dans le coton ? R Oui .

Me BEAUREGARD : Connaissez-vous le chiffre global de la production annuelle du coton ? R Oui, je crois l'avoir dans le grand tableau . Au Canada, la production globale de filés et de tissus de coton a été de $61,306,490 . C'est la production brute, n'est-ce pas. Et dans la Province de Québec, cette même industrie a produit $42,463,877.

D Savez-vous quel était le montant des salaires payés pour le coton,- pour ce que vous avez dit du coton ? R Pour le coton, si je ne prends que les ouvriers et les ouvrières, et non pas les employés, vous avez $12,575,000. dans le Canada, et $8,011,000. pour la Province de Québec .

D Ce sont les chiffres des statistiques fédérales ? R Ce sont les chiffres de l'année 1934, oui,- statistiques fédérales .

Me LANCTOT : D Les textiles et la soie se sont accrus, je comprends, surtout par le développement du "rayon" ? R Surtout .

D Et le"rayon" est ... R Est une industrie récente, à base de bois et à base aussi de coton ; dans le cas de la Célanèse on peut employer ce qu'on appelle les "cotton linters".

D Quant au "rayon", toute la matière première est prise au pays ? R Sauf pour la partie qu'on emploie à Drummondville, à la Celanese, on emploie

des cotons importés .

D Quant aux autres filés de soie, c'est à base de bois,- bois délayé, réaction chimique ? R L'industrie de la rayonne est surtout une industrie chimique.

D Mais en prenant la matière première sur place, le bois ? R Le bois pour une partie . Dans la province de Québec, je crois qu'on emploie surtout le coton .

D Abstraction faite de la celanese ? R Il n'y a que deux entreprises, Courtauld et Celanese; Courtauld se sert de bois .

M. LE COMMISSAIRE : D De bois canadien ? R De bois canadien .

Me LANCTOT : D Cette industrie du "rayon" se développe partout, dans le monde entier, depuis quelques années ? R Oui, on a fait de très grands progrès, dans le monde entier .

D Cela remplace la soie naturelle dans bien des cas ? R Elle est surtout une concurrente du coton, je crois,- plus du coton que de la soie elle-même, à cause de son prix relativement bas .

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ALBERT COTE

âgé de vingt-huit ans, arrangeur de métiers à la Dominion Textile, est assermenté .

INTERROGE PAR Me ELIE BEAUREGARD, c.r.:

D A quelle usine travaillez-vous ? R A Hochelaga, à la Dominion Textile, à Hochelaga .

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D Depuis combien de temps travaillez-vous ? R Depuis quatorze ans .

D Vous avez quel âge, dites-vous ? R Vingt-huit .

D Avez-vous une fonction particulière dans la Fédération Catholique Nationale du Textile ? R Oui, je suis président de la Fédération Catholique Nationale du Textile.

D Je comprends que la Fédération Catholique Nationale du Textile comprend tous les corps de métier ou un grand nombre de corps de métier dans la Province de Québec ? R Dans la Province de Québec .

D Et qu'il y a une section qui s'appelle la section du textile ? R Oui .

M. L. CONSEILLER : Quel est le nom de cette fédération ? R La Fédération Catholique Nationale du textile .

D Alors, c'est uniquement du textile ? R Oui .

Me BEAUREGARD : D Depuis combien de temps occupez-vous cette fonction ? R Depuis le mois de juin .

D Depuis le mois de juin 1935 ? R 1936 .

D Aviez-vous une autre fonction dans la même fédération avant juin 1936 ? R Non .

D Vous m'avez fait parvenir un document intitulé "Griefs relatifs au salaire. Travail à la pièce des ouvriers textiles dans la Province de Québec", n'est-ce pas ? R Oui .

D Avez-vous une copie de ce rapport ? R J'en ai une copie .

Depuis combien de temps travaillez-vous ? R. Je suis employée ici.

Q. Avez-vous une formation particulière dans la production textile ? R. Oui, j'ai une formation de la production textile.

Q. Je comprends que la production textile du textile comprend tous les corps de métier dans la production ? R. Dans la production de textile.

Q. Et qu'il y a une section qui s'occupe la section du textile ? R. Oui.

M. [illegible] : Quel est le nom de cette division ? R. La production textile.

Q. Alors, c'est multicouche du textile ? R. Oui.

[illegible]

Depuis le mois de juin 1990 ? R. 1990.

Avez-vous une autre fonction dans la même fonction avant juin 1990 ? R. Non.

Vous n'avez fait pas partie du comité textile relative au salaire. Travail à la pièce du [illegible] ? R. Oui.

Avez-vous des [illegible] ? R. Pas [illegible].

D Voulez-vous produire ce rapport comme pièce 797 ? R Oui .

D Me. Charpentier me faire remarquer que le titre que je viens de mentionner n'est peut-être pas exact. Le titre serait plutôt :"Exposé des Griefs de la Fédération Catholique Nationale du textile au Très Honorable Premier Ministre du Canada, ainsi qu'à la Commission d'Enquête royale." R Absolument .

D Il s'agit de la présente enquête ? Absolument .

D Vous avez accompagné la remise de ce document par une lettre se lisant comme suit :" Montréal, le 18 août 1936 . Monsieur Elie Beauregard, Avocat, représentant de la Couronne, Commission d'Enquête royale dans l'Industrie du Textile. Cher Monsieur, Faisant suite à notre précédente lettre, nous vous faisons tenir, sous pli, le mémoire des griefs de la Fédération Catholique Nationale du Textile. Nous comptons que vous aurez l'obligeance de le soumettre à la considération de la Commission d'Enquête Royale, et que cette dernière s'en inspirera dans les recommandation de son rapport au Gouvernement fédéral ."

Je passe l'autre paragraphe où vous m'invitez simplement à me visiter au bureau . C'est signé "Albert Côté, Président", et "Frédéric L'Heuyer, Secrétaire?" R Oui .

D Albert côté, c'est vous-même ? R C'est moi-même .

D Voulez-vous attacher cette lettre au document lui-même ? R Oui .

D Alors, monsieur Côté, vous avez personnellement une expérience de treize à quatorze ans dans le travail du moulin proprement dit ? R Oui .

D Est-ce qu'il y a longtemps que vous vous occupez de relever les plaintes de vos confrères ? R Cela a fait un an au mois d'août de cette année .

D Que vous vous occupez particulièrement de cela ? R Que je m'occupe particulièrement de cela .

D Vous êtes président depuis juin dernier ? R De la Fédération ; seulement, je fais partie aussi du Syndicat particulier de Montréal, le Syndicat Catholique de Montréal ; Je suis secrétaire du Syndicat Catholique Nationale de Montréal .

D Depuis combien de temps, alors, vous occupez-vous de la condition ouvrière ? R Depuis un an et deux mois .

D Les griefs dont vous faites l'exposé dans la pièce 797 que vous venez de produire, sont soit des griefs qui sont à votre connaissance ou qui résultent d'enquêtes ? R Plusieurs sont à ma connaissance personnelle ; et quelques autres nous viennent des centres en dehors de Montréal .

D Alors, si vous voulez suivre,- vous avez une copie,- j'en ai une également,- je vais lire ce travail et vous ferez, paragraphe par paragraphe, les commentaires que vous avez à faire . Après le titre, dont j'ai donné lecture, les premiers griefs sont :"Griefs relatifs au salaire. Travail à la pièce." Et je vois dans la marge que ceci concerne les filatures de coton, de soie rayon, de soie naturelle

Q - Alors, maintenant Côté, vous avez mentionné l'usage quotidien de trains à moteurs sur dans le travail de moulin pourquoi ainsi ? R Oui .

Q Est-ce qu'il y a longtemps que vous vous servez de moyens les plus rapides de vous sortir ? R Cela a fait de 20 ou 30 ans à partir de cette année .

Q Que vous vous occupez particulièrement de cela ?

R Que je m'occupe particulièrement de cela .

Q Vous êtes président depuis longtemps ? R Depuis la fédération ; réellement, je fais partie avant du syndicat particulier de Montréal, le syndicat catholique de Montréal ; je suis secrétaire du syndicat catholique national de Montréal .

Q Depuis combien de temps, alors, vous occupez-vous de la question ouvrière ? R Depuis un an et demi .

Q Les grèves dont vous faites l'exposé dans la pièce 797 que vous venez de produire, sont-elles grèves qui sont à votre connaissance ou qui résultent d'enquêtes ? R Plusieurs sont à ma connaissance personnelle ; et quelques autres sont résultant des enquêtes en dehors de Montréal .

Q Alors, si vous voulez lire,- vous avez compris,- j'en ai vu également,- je vais lire ou travail et vous ferez, pendant le pendant que, les commentaires que vous avez à faire . Après le travail, vous j'ai trouvé trouvé, du travailleur ordinaire, certaines relatifs au salaire. Travail à la ville.- Il y a cela dans le marché par exemple les filatures de coton, en vile Laval, on nous rapporte

et de laine . C'est cela que vous voulez dire, n'est-ce pas ? R Absolument .

D Comme sous-titre :"Tisserands"." En ce qui a trait aux tisserands, la Fédération constate que premièrement des ouvriers ne sont payés que pour des "cuts" (rouleaux) de quarante verges, alors que ces "cuts" mesurent de quarante et une à quarante-cinq verges." Est-ce que ceci est à votre connaissance personnelle ? R Oui .

D Alors, voulez-vous dire à la Cour dans quelles circonstances vous avez constaté que les tisserands étaient payés sur des "cuts" finalement mesurés à quarante verges, alors qu'ils en mesuraient, en fait, de quarante et une à quarante cinq ? R Parce que lorsque le "cut" est tissé sur la machine, il est très "tensionné" et lorsqu'il passe à l'inspection ...

D Il est tendu ? R Il est tendu . Alors, lorsqu'il passe à l'inspection, il devient ....

D Il se rétracte ? R Il se rétracte . Ils mesurent la pièce lorsqu'elle passe à l'inspection .

D Autrement dit, sur la machine le coton ....

R Est tissé très "tensionné", tension très forte .

D Sous très forte tension ? R Sous très forte tension .

D Quand il est enlevé de la machine, il est simplement roulé, cette tension disparaît ? R Absolument .

D Alors, vous dites que la mesure de ce coton se fait sur du coton libre, qui n'est plus sous tension ? R Absolument .

Q Je l'ai dit, c'est bien que vous vous êtes, M'sieur, mis à ? R Absolument.

Q Comme nous-autres : "Il commence", ça en qui a trait aux travaux. La différence consiste que pratiquement des ouvriers ne sont payés ni pour des heures" (rouleaux) de quarante heures, alors que ce "vrai" mouvement de commerce et une à quarante-cinq heures." Est-ce que cela est à votre connaissance personnelle ? R Oui.

Q Alors, voulez-vous dire à la Cour que l'ouvrier travaillant dans des conditions que les travaux travaient payés sur des "vrai" travaux, à quarante heures, alors qu'il en commence, en fait, de quarante et une à quarante-cinq ? R Lorsque quelque le "vrai" est tenu sur la semaine, il est très "remplacé" et lorsqu'il passe à l'inspection ...

Q Il est tenu ? R Il est tenu. Alors, lorsqu'il passe à l'inspection, il revient ....

Q Il ne retourne ? R Il ne retourne. Il ne revient la même lorsqu'il passe à l'inspection, automatiquement, sur la machine-la main ....

Q Et vrai vrai "vrai", quelque chose dans ...

Q Sous très ? R Sous très vrai tuyau.

Quand il est relevé de la semaine, il est vraiment trop, cette tuyau ? R Absolument.

Q Alors, vous dites que la semaine de ou quelque chose, alors, je n'est plus sous tuyau ....

D Et que ceci change ?.... R Change la longueur de la pièce de cinq ou six verges, dans le moins, par rouleau, puisque les rouleaux ont de cent soixante à deux cents verges assez souvent .

D Et alors, vous estimez, que le tisserand devrait être payé sur le coton tel qu'il est sur la machine ? R Sur la machine .

D Sur le coton tendu ? R Tendu .

D Et que c'est l'ouvrier qui perd la différence ? R Qui perd la différence .

D Lorsque le coton est à l'état libre ? R Absolument .

D C'est votre explication de ce premier grief ? R Oui, monsieur .

D Est-ce que, à votre connaissance, les ouvriers tisserands sont encore payés à la "out" et ne sont pas plutôt payés suivant un cadran qui enregistre le nombre de "picks" ? R Dans certaines filatures, il existe un système de cadrans, mais pas pour la majorité des métiers .

D Je continue . "Deuxièmement , les tisserands ne sont pas rémunérés pour les échantillons qu'ils font sur leurs métiers. Ils étaient, autrefois, payés pour cet ouvrage, vu qu'une personne spéciale faisait les échantillons ." Ceci est clair . C'est à votre connaissance ? R Absolument .

D Est-ce que les échantillons donnent beaucoup de travail ? Est-ce que c'est long à faire ? Est-ce qu'il y a beaucoup de temps perdu comme cela ? R Parfois on travaillera sur un métier d'échan-

Q Et que deal charge ?... Comme la dame de la place de cinq ou six verges, vous le voyez, par exemple, Madame les tonneaux est de cent soixante à deux cents verges environ ?

Q Et alors, vous estimez, vous l'estimerez devant être payé sur le coût tel qu'il est sur la moyenne ?

R Sur la moyenne .

Q Sur le coût réel ? R Oui .

Q Et que c'est l'ouvrier qui paie la différence ?

R Qui paie la différence .

Q Lorsque le coût est à l'état libre ? R Absolument .

Q C'est votre explication de ce premier grief ?

R Oui, monsieur .

Q Est-ce que, à votre connaissance, les ouvriers travaillent sont encore payés à la "tâche" ou en sont plus payés suivant un système qui correspond à ce qu'on appelle "piece" ? R Dans certaines filatures, il existe un système de cadeaux, mais pas pour la majorité des ouvriers .

Q Je continue . "Deuxièmement, les travailleurs ne sont pas informés par la compagnie qu'ils sont sur leurs salaires. Ils étaient autrefois payés pour cet ouvrage, ou qu'ils pensaient recevoir les salaires utilisés ." Quel est alors , c'est à votre connaissance ? R Certainement .

Q Est-ce que les travailleurs pensent qu'ils travaillent ? Est-ce que c'est long à la ? Est-ce qu'il y a beaucoup de hors-payés ? Parlez de travailleur sur un système d'échan-

tillons une journée de temps,

D Un métier à tissé sera affecté, par exemple, aux échantillons ? R Aux échantillons .

D Et l'ouvrier qui est sur un de ces métiers occupé aux échantillons n'est pas payé pour les échantillons ? R Il n'est pas payé pour les échantillons.

D A votre connaissance, est-ce une chose générale que les tisserands ne soient pas payés pour ces échantillons ? R Oui .

D Il est également à votre connaissance qu'ils ont déjà été payés pour cela ? R Oui .

D Sur la même base que les autres ? R Ils étaient payés à la journée . On avait une ou deux personnes payées spécialement pour cela , pour s'occuper lorsqu'on faisait un échantillon, on surveillait une seule machine . Aujourd'hui, on a enlevé cela et c'est le tisserand qui est obligé de surveiller l'échantillon sur son set de métiers .

Me GRIFFIN : Vous dites qu'il y a des personnes qui travaillent une journée entière sans être payées ? R Pour un métier .

Me BEAUREGARD : "Troisièmement. Les tisserands perdent du temps, et,par le fait,du salaire, parce que les substituts des arrangeurs de métiers ne sont pas en nombre suffisants . Chaque fois, en effet, qu'il est nécessaire de changer le métier pour faire un nouveau style de coton, le tisserand est obligé d'attendre, parfois plusieurs heures." Cela aussi est clair. C'est à votre connaissance ? R Absolument .

D Il n'y a pas assez d'employés préposés à poser les "warps" sur les métiers ? R Absolument .

D Il en résulte que les tisserands ont des métiers sans emploi ? R Absolument .

D Pendant un certain nombre d'heures ? R Pendant un certain nombre d'heures .

D "Quatrièmement. La base de calcul des salaires est injuste : a) Dans certaines filatures, au lieu d'établir ce que tel ouvrier a fait d'ouvrage, on calcule le rendement donné pendant vingt-quatre heures par métier, et l'on donne la moitié de cette somme à l'ouvrier de jour et l'autre moitié à l'ouvrier de nuit, sans tenir compte de l'habileté particulière de l'un et de l'autre ." Cela est clair . Et c'est également à votre connaissance ? R Abbolument .

D Je passe rapidement parce que nous avons eu ce cas ici, assez souvent . "b) dans d'autres filatures, la base de calcul n'est pas la même, mais semble n'être pas moins injuste . Les tisserands de nuit sont payés à l'heure . Le salaire du tisserand de jour est calculé comme ceci : On prend la production totale des métiers pendant vingt-quatre heures, on déduit le salaire qu'a reçu l'employé de nuit, et la balance constitue le salaire de l'employé de jour." Est-ce que cela est à votre connaissance ? R Absolument .

D Alors, vous vous plaignez qu'un ouvrier n'est pas rémunéré dans la mesure de son effort ? R De son effort .

D Son effort va dans l'effort général ; et lui-même, s'il déploie une activité ou un savoir-faire particuliers n'est pas rémunéré ? R Il n'est pas rémunéré . Si l'autre n'est pas compétent, il a autant de bénéfice que celui qui est compétent .

D Vous trouvez qu'on met sur le même pied un ouvrier moins compétent que celui qui est plus compétent ? R Qui est plus compétent . Parce que, assez souvent, lorsqu'on travaille la nuit on a de la difficulté à avoir des ouvriers, des "weavers" pour travailler la nuit . Alors, on leur donnera un peu plus cher . Cela ne leur fait rien, parce que ceux de jour en souffriront, eux autres,- payés absolument le même salaire .

D Vous considérez que l'avantage qu'on donne aux ouvriers de nuit se trouve payé en définitive par les ouvriers de jour ? R Absolument .

D "5.- Lorsqu'un ouvrier, au cours d'une semaine, dépasse sa production ordinaire, on lui donne son salaire, mais, la semaine suivante, on baisse le taux à la pièce, de façon à ce que cet employé ne fasse que son salaire hebdomadaire régulier." Ceci m'a l'air complet. Vous parlez là des ouvriers à la pièce ? R Je parle là des ouvriers à la pièce .

D Des ouvriers à la pièce qui, au cours d'une semaine auraient dépassé la production ordinaire ? Voulez-vous dire la production en coton ou en argent ? R En coton et ....

D Et en argent ? R Et en argent .

M. LE COMMISSAIRE : Si ce grief tel qu'il est

— Un effort va dans l'ouvrier ; et lui-même, s'il obtient une activité ou un avantage particulier n'est pas récompensé ? R. Il n'est pas honoré. Il [illegible] [illegible]. Il a besoin de bénéfice un capital qui est compétent ?

D. Vous trouvez qu'on met sur le même pied un ouvrier moins compétent que celui qui est plus compétent ? R. Qui est plus compétent. Prenez une chaise ouvrée, lorsqu'on travaille la suite on a de la difficulté à avoir des ouvriers, des "menuisiers" pour travailler la nuit. Alors, on leur donne un peu plus cher. Ceux de leur métier, parce que ceux de jour en souffrirent, un autre.- payée absolument le même salaire.

D. Vous considérez que l'ouvrage qu'on donne aux ouvriers de nuit se trouve payé en définitive par les ouvriers de jour ? R. Absolument.

D.- Lorsqu'un ouvrier, en sauve d'une somme, dépasse sa production ordinaire, on lui donne un salaire, mais, la semaine suivante, on baisse la taux à la pièce, de façon à ce que cet employé ne fasse que son salaire hebdomadaire régulier." Quel est l'idée sous-jacente ? Vous avez lu les journaux ? Pourquoi ? R. Je parle là des ouvriers à la pièce.

D. Des ouvriers à la pièce qui, en sauve d'une somme [illegible] ? Pensez-vous que la production en cotan on se [illegible] ? R. Je crois et ....

D. [illegible] ? R. Il le croit.

D. [illegible] ?

formulé est véridique, qu'on réduit le taux à la côté pièce pour un ouvrier qui travaille cette semaine parce que, la semaine dernière, il a fait une production anormale, la chose est certainement grave . Vous êtes bien sûr de ce que vous avancez là ? R Oui, monsieur le Juge .

D Parce que, nous avons eu d'autres témoignages portant sur ce point que, quelquefois, un ouvrier est payé pour plusqu'il n'a fait pendant une semaine, et dans ce cas-là, on lui retranche, la semaine suivante, le surplus qu'il a reçu la semaine précédente . C'est une toute autre question . Il n'y a pas confusion chez vous ? R Voyez-vous, c'est un exposé général . Vous aviez le rapport d'une filature ....

D Vous parlez de choses que vous dites être à votre connaissance personnelle ? R Absolument .

D Vous insistez là-dessus, qu'un ouvrier travaille une semaine, il est payé à la semaine, il se produit qu'il fasse une bonne semaine, il fait une production plus élevée que d'ordinaire, et, pour cette raison-là, la semaine suivante on le punit, on baisse son taux pour le travail à la pièce ? R Absolument . Maintenant, je ferai remarquer que cela peut se produire que cela retarderait de deux ou trois semaines .

Me BEAUREGARD : Vous ne voulez pas dire que ce sera toujours la semaine suivante ? R Non .

D Il arrive qu'au bout de quelque temps, une semaine ou davantage, les taux sont changés ? R Les taux à la pièce sont changés . Voyez-vous comment

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cela arrive ces choses-là : Ils font une base de salaire à tant la pièce;on est supposé leur donner tant par semaine; si cela arrive dans une couple de semaines, qu'ils ont du bon ouvrage,- cela varie, le coton, dans les manufactures; des fois il est mauvais, des fois il est meilleur .

D Plus facile à travailler ? R Plus facile à travailler . Ensuite, lorsqu'il a travaillé deux semaines avec du bon coton, des bons "warps", de la bonne "filling".....

M. LE COMMISSAIRE : "Warps" c'est la chaîne ?

R C'est la chaîne ..... il est entendu qu'il sort beaucoup de production, et on en profite pour diminuer les salaires .

Me BEAUDRAU : Pour continuer d'exiger cette production-là ? R Pour continuer d'exiger cette production-là . Ou, si n'exige pas de continuer cette production-là, alors on diminue les taux à la pièce pour dépasser la production qui est calculée, prévue .

M. LE COMMISSAIRE : Vous voulez dire qu'on diminue les taux pour tout le monde, pour tous les ouvriers ? R A la pièce .

D Pour tous les ouvriers ? R Tous les ouvriers à la pièce .

D Cela, c'est autre chose . Vous avez parlé d'un ouvrier qui produit, qui fait un bon morceau ....

R C'est un exemple que je donne, là .

Me BEAUDRAU : Vous donnez cela comme exemple, mais vous voulez dire que c'est une situation générale ?

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R Absolument .

D Quand vous dites "un ouvrier", vous pourriez dire "des ouvriers" ? R Des ouvriers . J'ai dit, comme exemple, la manière qu'on faisait les choses, qu'on procédait .

M. LE COMMISSAIRE : C'est-à-dire, alors, que les taux à la pièce changent selon les capacités des ouvriers ? R C'est cela .

D Si on trouve que les ouvriers peuvent produire une telle somme de travail dans une semaine, on réduit le taux la semaine suivante ? R Absolument .

Me BEAUREGARD : Vous voulez dire que les taux varient avec les ouvriers, ou si les taux sont les mêmes pour tous les ouvriers ? Est-ce que les taux varient ? R Les taux varient .

D Varient-ils suivant l'homme ou varient-ils suivant l'ouvrage ? R Suivant l'ouvrage .

D A cause du travail d'un ou de plusieurs hommes ? R Absolument .

M. LE COMMISSAIRE : Je comprends . Seulement, cela change la nature du grief .

Me GEOFFRION : Je ne comprends pas bien clairement encore ?

M. LE COMMISSAIRE : Cela veut dire que la compagnie revise ses taux à la pièce de temps en temps, suivant la production qu'elle obtient de ses ouvriers.

Me BEAUREGARD : Vous entendez la remarque du Président ? R Je ne peux pas dire que cela vient du Bureau-chef, mais c'est fait par les surintendants, au moins, de la filature .

D C'est ce que l'ouvrier éprouve ? R Eprouve.

X M. LE COMMISSAIRE : C'est fait par ceux dont c'est le devoir de fixer les taux ? R De fixer les taux .

Me BEAUPARLANT : Par ceux qui sont en relation avec les ouvriers ? R Par ceux qui sont en relation avec les ouvriers . On ne peut pas dire au juste si c'est le premier "boss" ou le deuxième "boss" ou le surintendant .

D Je continue : "Advenant le cas que, plus tard, le métier va moins bien ou le matériel n'est pas aussi bon, l'ouvrier produit moins et subit une diminution de salaire." Autrement dit, le travail fait dans de bonnes conditions a servi de base et lorsque le matériel est moins facile à travailler, l'ouvrier dont le travail s'est apprécié avec du bon matériel, gagne moins parce qu'il a un mauvais matériel ? R Absolument, c'est ce que je voulais expliquer tout à l'heure .

D "Au tisserand qui se plaint de ne plus recevoir son salaire antérieur, on lui donne quelques métiers de plus ...." Vous inférez qu'il y a des tisserands qui se sont plaints de cet état de choses que vous avez décrit, et que la réponse a été qu'on leur a donné quelques métiers de plus ? R Pour faire leur salaire .

D "... ou (si l'on considère qu'il en a déjà suffisamment) l'on accélère la vitesse des machines." Ce qui est un autre moyen d'augmenter la production. Mais est-ce que cela ne change pas la nature du

travail de l'ouvrier, lorsque ses machines vont plus vite ? R C'est entendu que cela lui donne beaucoup plus d'ouvrage .

D Il doit faire comme ses machines, il doit aller plus vite, lui aussi ? R Il doit aller plus vite lui aussi .

D De sorte que, par l'emploi des trois moyens précédemment indiqués, l'ouvrier finit par travailler constamment à la course, sans répit jamais, pour un salaire qui demeure toujours à peu près le même." De sorte que nous avons dans ce paragraphe 11ème vo- exposé ? R Absolument .

D Les salaire à la pièce sont sujets à des fluctuations pour la cause que vous avez mentionnée au paragraphe 5ième,et les modifications ont lieu des trois façons indiquées ci-dessus ? R Absolument .

D L'augmentation des métiers, l'augmentation de la vitesse des machines ? R Des machines .

D Les métiers et la vitesse, cela en fait deux seulement . R Ensuite, au commencement .

D Quand vous dites "trois", vous référez au principe que vous avez établi au paragraphe 5ième, que le travail à la pièce subit des modifications quant au salaire ? R quant au salaire .

D Votre document passe à un autre ordre d'idée: Filature de velours." Je vous assure que c'est la première fois que nous entendons parler des velours." Dans cette nouvelle entreprise au Canada, les salaire sont excessivement bas, alors que le

[illegible]

[illegible] ? R [illegible]

[illegible] plus d'expérience .

D [illegible] plus vite, lui aussi ? R [illegible] plus vite lui aussi .

D Le sorte que, par l'emploi des [illegible] modernes [illegible] l'avion [illegible] par [illegible] conséquent à la course, sans voir à [illegible], pour un [illegible] vous demeure [illegible] à peu près le même, de sorte que nous avons dans ce [illegible] [illegible] ? R Absolument .

D Les ailes à la plée sont utiles à des fins[illegible] pour le cause que vous avez [illegible] [illegible] et les [illegible] et [illegible] ? R Absolument .

D L'augmentation des moteurs, l'augmentation de la vitesse des machines ? R Des machines .

D Les [illegible] ? R Beaucoup, en conséquence .

D Quand vous [illegible] vous [illegible] [illegible] ? R [illegible] .

D Votre [illegible] passe à un autre ordre d'idées: [illegible] ? R [illegible] .

matériel (rebuts) de soie, est très bon marché."

Où est-ce qu'on travaille le velours ? R A Farnham. Pardon, à Drummondville .

D Vous le savez ? R Oui, je l'ai ici .

D C'est à Drummondville ? R C'est à Drummondville .

D Vous dites que c'est une industrie récente ?

R Oui .

D Quand vous dites que les salaires sont excessivement bas, voulez-vous dire comparativement aux autres salaires ou comparativement au travail ? Qu'est-ce que vous voulez dire ? R Sur ceci, je n'ai pas de connaissances personnelles; ce sont des rapports que nous avons eux du syndicat de l'endroit .

D C'est le résultat d'enquêtes seulement ? R C'est le résultat d'enquêtes seulement . Alors, je ne peux pas donner auxune détails définitifs par moi-même .

D Je passe . "Dans les filatures d'élastique, les tisserands doivent changer eux-mêmes leurs "warps" (chaines) et d'en attacher les brins, sans recevoir de rémunération supplémentaire . Ces "warps" sont de dix, cinquante, soixante et même de soixante et dix brins . Le tisserand doit aller chercher son "warp" d'élastique trois étages plus bas, ce qui occasionne, chaque fois, une perte de temps de quinze minutes. La moyenne de s salaires des tisserands est de $12.00 à $13.00 par semaine." Voulez-vous dire où se trouve cette ou ces usines de tissus d'élastique, dont vous parlez ? R A Granby.

D Savez-vous le nom de l'urine ?

R Elastic Web.

D Connaissez-vous la nature de ce travail ? R Non pas précisément .

D Ce que vous en dites, c'est à la suite des rapports d'enquêtes ? R Des rapports d'enquêtes, oui .

D Filature de peluche . Dans la peluche, lorsqu'une cassure de deux cents à trois cents brins se fait, la tisserande est obligée de repasses ses brins un par un ce qui peut prendre deux ou trois heures. Même si ce n'est pas sa faute, la tisserande n'est pas payée pour ce travail, et, en plus, paie elle-même une amende, c'est-à-dire qu'on lui charge pour la partie du tissu qui a été gâtée." Voulez-vous dire où se trouve cette filature de peluche ? R A Farnham .

D Savez-vous le nom de cette institution ? R Je ne sais pas au juste le nom .

D C'est une plainte que vous avez eue de cet endroit-là ? R Oui .

D Vous formulez la plainte comme vous l'avez reçue; vous n'avez pas de connaissance personnelle de ce fait-là ? R La raison est que si elle perd de l'ouvrage, c'est qu'une "weaveuse" ou un "weaver" a seulement un métier à surveiller . Lorsqu'il se fait une cassure sur ce métier, c'est elle qui repasse la cassure .

D L'arrêt de la production est complet ? R L'arrêt de la production est complet . Si cela lui prend une heure, deux heures, elle ne produit pas, elle n'est pas payée; elle est payée à la pièce . Même si

ce n'est pas de sa faute . D'après l'enquête que nous avons faite, c'est censé être vrai .

D Vous n'avez pas de connaissance personnelle ?

R Je n'en ai pas de connaissance personnelle .

D Titre suivant : "Arrangeurs de métiers . En ce qui a trait aux arrangeurs de métiers, la Fédération constate que : a) dans certaines filatures, les arrangeurs de métiers pour travaux de fantaisie ne sont pas payés plus cher que les arrangeurs de métiers pour travaux ordinaires; pour tant, l'apprentissage pour les travaux de fantaisie est plus difficile et plus long." Ceci est clair . C'est à votre connaissance ? R Oui .

D Est-ce qu'il y e une grande différence dans le temps d'apprentissage pour les travaux de fantaisie ?

R Au moins deux ans, dans le moins .

D Combien cela prend-til de temps pour devenir un arrangeur de métiers de travaux de fantaisie ?

Me LANCTOT : Où est-ce que cela se fait ?

R Cinq ans, dans e moins . Cinq, six ans, dans le moins .

Me BEAUREGARD :

D Cinq, six ans avant d'être qualifé pour être arrangeur de métiers ? R Pour être arrangeur de métiers .

D Monsieur Lanctot me pose la question : Ces travaux de fantaisie sont-ils faits dans un grand nombre de moulins ? R Oui . Ce qu'on appelle le "Jacquard", le "Dobbie" .

D Ce sont des tissus assez ordinaires dans le commerce ? R Absolument .

ce n'est pas de ses fautes . D'après l'enquête que

nous venons faite, c'est cause être vrai .

Q. Vous n'avez pas de renseignements personnels ?

R. Je n'en ai pas de renseignements personnels .

Q. Mettre suivant : "Par rapport de ses dons , nous

qui a trait aux arrangements de matières , la Fédération

constate que : a) dans certaines filatures, les ar-

rangements de matières pour travail de fantaisie ne sont

pas toujours plus cher que les arrangements de matières

pour tissus ordinaires; par ailleurs, l'arrangement

pour les travaux de fantaisie est plus difficile et

plus long." Ceci est clair . C'est à votre connais-

sance ? R. Oui .

Q. Est-ce qu'il y a une grande différence dans le

temps d'arrangement pour les travaux de fantaisie ?

R. Au moins deux fois, deux fois moins .

Q. Combien cela prend-il de temps pour devenir un

arrangeur de matières de travaux de fantaisie ?

R. Me LAMONT : Où est-ce que cela se fait ?

R. Ciné ans, cinq à moins . Cinq, six ans, ces 2

moins .

Me BOURGEOIS :

Q. Où, six ans avant d'être capable pour être

arrangeur de matières ? R. Pour être arrangeur de

matières .

Me LAMONT : Je pose la question : Des tra-

vaux de fantaisie sont-ils faits dans un grand nombre

de matières ? R. Oui . Ce qu'on appelle le

"Jacquard", le "Dobby" .

Q. Les gens des tissus essaient-ils dans le

métier ? R. Généralement .

D Vous dites que les arrangeurs de métiers dans ces travaux que vous avez appelés travaux de fantaisie, dans ces tissus que vous avez appelés tissus de fantaisie, prennent cinq, six ans, pour être compétents ? R Ils prennent cinq, six ans, dans le moins .

D Et qu'ils ne sont pas plus rémunérés que les autres arrangeurs de métiers, dont l'apprentissage est de trois ans ? R Non .

D "b) Dans d'autres filatures, le salaire de l'arrangeur de métiers sur travail de fantaisie ~~xx xx~~ n'est que de un sou et une fraction supérieur à celui de l'arrangeur de métiers ordinaire." Votre proposition, c'est que dans un cas, c'est le même prix, dans d'autres cas l'arrangeur de métiers de tissus de fantaisie n'a qu'un sou à l'heure de plus que l'arrangeur de métiers de tissus ordinaires ? R Oui .

D Pouvez-vous indiquer les filatures où on paie plus, à quel endroit on paie le sou supplémentaire ? R A Montréal .

D "Ouvriers à l'heure . En ce qui a trait au travail à l'heure, la Fédération constate que : 1. les ouvriers au temps travaillent pour des salaires de famine et que si l'ouvrage cesse une demi-heure avant la fermeture régulière de l'usine, ils sont envoyés immédiatement et leur salaire est retranché ." Vous voulez dire retranché, pour la demi-heure, j'imagine ? R Oui, monsieur .

D Maintenant, vous dites que ce sont des salaires de famine ?

Me LANCTOT : Est-ce qu'il ne serait pas mieux

de retrancher ce mot et de laisser la Cour décider?

Me BEAUREGARD : C'est votre appréciation, n'est ce pas ? R Oui .

D Connaissez-vous les salaires des ouvriers au temps ? R J'en connais plusieurs . Ce serait pas mal difficile de les énumérer ici .

D Vous dites que les employés ordinaires, d'une façon générale, lorsque l'ouvrage cesse, disons, une demi-heure avant la fermeture régulière, ne sont pas payés pour cette demi-heure ? R Non .

D Ils sont payés strictement pour le temps où ils sont au travail dans l'usine ? R Oui .

D "2. Les poseurs de "warps", les huileurs, les nettoyeurs, les enleveurs de coton, les "bobbins-boys", les "fillings-boys" doivent travailler le samedi après-midi, sans salaire, comme suit : pour compenser leur samedi après-midi, on leur donne une demi-journée de congé pendant la semaine suivante. Toutefois, on ne remplace pas, sur l'ouvrage, l'ouvrier absent; de sorte que les ouvriers présents doivent faire leur propre ouvrage et celui de l'employé en congé, sans qu'il en coûte un sou à l'employeur . C'est ainsi que l'employeur fait travailler gratuitement le samedi après-midi ." Autrement dit, ces personnes, ces divers corps de métiers que vous mentionnez au paragraphe 2ième, travaillent sans salaire le samedi après-midi; seulement, on les compense du samedi après-midi par une demi-journée de congé dans la semaine, alors que l'usine fonctionne? R Absolument .

D Et que cette journée-là, ceux qui n'ont pas congé font le travail de ceux qui ont congé ? R Absolument .

D De sorte que vous finissez par dire que la demi-journée de travail du samedi après-midi est acquise gratuitement à la compagnie par le travail plus considérable que les employés de semaine font en l'absence de leurs compagnons de travail ? R C'est juste .

D C'est le grief ? R Oui .

D Il est à votre connaissance ? R Absolument

D Est-ce général, cette façon de faire ? R Non pas dans toutes les manufactures . Seulement, on peut trouver cela à Montréal et puis dans quelques autres branches en dehors. Ce n'est pas général .

Me LANGTOT : Quels sont les noms des compagnies ? R Dominion Textile .

Me BEAUREGARD : "3. Le travail est réparti de façon à ce que les ouvriers soient tenus de donner pendant dix heures le travail de douze heures. Voici comment : l'ouvrier doit se rendre le matin à sept heures; mais le métier marche depuis six heures et trente . Pendant l'heure du dîner, le métier continue à marcher sous la surveillance des balayeurs ou autres personnes non expérimentées . Le soir, les ouvriers quittent le travail à six heures, mais les métiers continuent à opérer jusqu'à six heures et trente. Les ouvriers en charge de ces métiers sont responsables du travail gâté pendant les heures que le métier a marché sans surveillance . Les ouvriers ne sont pas tenus de travailler douze heures,

Q Si vous avez l'occasion, avez-vous d'abord pu compté leur le travail de deux ou deux ? R Absolument .

Q De sorte que vous limiteriez par deux la journée de travail du samedi après-midi est actuellement à la compagnie par le travail plus confortable que les employés de service font en l'absence de leurs compagnons de travail ? R C'est juste .

Q C'est le grief ? R Oui .

Q Il est à votre connaissance ? R Absolument .

Q Est-ce exact, entre façon de faire ? R Non pas dans toutes les manufactures . Seulement, on peut trouver cela à Montréal et dans deux manufactures anglaises en Ontario. Ce n'est pas général .

Me LAMOTT : Quels sont les noms des compagnies ? R Dominion Textile .

Me MACLAREN : "3. Le travail est réparti de façon à ce que les ouvriers soient tenus de travailler pendant dix heures le travail de douze heures. Voici comment : l'ouvrier doit se rendre le matin à sept heures; mais le matin vendre-deuxième et heures et trente . Pendant l'heure du diner, le matin continue à marcher sous la surveillance des bajoyers de même pressées des surveillantes . - Mais, les ouvriers quittent le travail à six heures, sans les matinées-minimum : entre jusqu'à six heures et trente. Les ouvriers en charge de ces matières sont responsables du travail qui produit les heures du matin e marche sans surveillance . Les ouvriers se sont pas sous la surveillance sous bajoyers,

mais ils sont moralement forcés de se rendre à l'ouvrage plus tôt pour surveiller le travail." C'est-à-dire pour empêcher que leurs machines restent sous la surveillance de personnes sans expérience, parce qu'eux mêmes seraient obligés de payer la faute de ce manque de surveillance ? R Pas exactement pour prendre la place ..... Du moment que l'heure est arrivée pour les ouvriers d'entrer, ceux qui sont à leur laissent l'ouvrage . Seulement, un ouvrier qui n'est pas expérimenté pour "weaver", lorsqu'il se fait une cassure ou des manques, il arrête la machine et le mauvais ouvrage est là, il faut qu'il soit retiré par le tisserand .

D Il ne peut pas s'occuper de son métier ? R Il ne peux pas s'occuper de son métier .

D Il surveille le métier tant que le métier marche tout seul ? R Il surveille le métier tant que le métier marche tout seul ; Et s'il arrive qu'un morceau va casser, et que le métier "runne" pareil, il arrêtera la machine . S'il y a des brins qui se mêlent, il arrêtera la machine . C'est tout ce qu'il fait .

D Il laisse cet ouvrage à faire à celui qui entre travailler ? R A celui qui entre travailler ? Alors, c'est pour dire qu'il y a, moralement, obligation pour lui d'entrer avant l'heure, s'il veut arriver et que ses machines soient en opération, pour retirer son salaire .

D S'il ne veut pas être en présence de travail mal fait ? R Mal fait .

D Est-ce que cette façon de faire que le machine

Mais ils sont malheureux lorsque de temps à l'autre
ceux qui ont quelque avantage le prendre, l'autre
bande leur enlève ou leur brise leur machine
le surveillance de leurs ceux ennemis, parce
qu'ont même souvent cela de leur la tête de
le manque de surveillance ? R Tu exécutes
pour prendre la place ..... Du moment que l'homme est
arrivé pour les ouvriers d'autre, ceux qui sont à
leur laissent l'ouvrage . Maintenant, un ouvrier qui
n'est pas satisfaisant peut "manquer". Impossible
de ne pas vouloir à les manquer. Il faut la bonne
ne et la nouvelle ouvrage est là. Il faut qu'il soit
satisfait par le travail .

Il ne peut pas s'occuper de son métier ? R Il
ne peut pas s'occuper de son métier .

Il surveille le métier tant que la matière nou-
velle tout seul ? R Il surveille le métier tant
que le métier nouveau tout seul ; et s'il arrive
quelque chose, et que le métier "tomba-
ient", il arrêtera la machine . S'il y a des mains
qui se cassent, il arrêtera la machine . C'est tout
ce qu'il fait .

Il faisait est ouvrage à faire à celui qui entre
travailler ? R A celui qui entre travailler à
Lucca, c'est pour dire qu'il y a, maintenant, préli-
minaire pour lui d'arriver avant l'heure, s'il veut
arriver et que ses machines soient en opération,
mettre les métiers .

Il n'est pas dans un pénalité de travail
aux huit ? Non, pas .

travaille douze heures quand l'ouvrier travaille dix heures, n'a pas pour effet de faire mesurer la production de l'ouvrier sur dix heures plutôt que sur douze heures ? R Absolument .

D Faire mesurer son salaire sur dix heures plutôt que sur douze heures, ce qui augmente en apparence le prix à l'heure ? R Ils augmentent la production de cette manière-là, et en augmentant la production, la paie du "weaver" lui-même augmente, et alors ....

D Tout cela est calculé sur dix heures ? R Tout cela est calculé sur dix heures .

D Au lieu de douze heures ? R Au lieu de douze heures .

D Ce qui change la proportion du tant à l'heure ? R Du tant à l'heure .

D "4. Les "stripers", les "affilaurs", les "flymen".... Nous sommes dans le "card room" là? R Oui.

D ...."travaillent de midi jusqu'à une heure, le samedi, sans salaire." Jusqu'à une heure à compter de quel temps ? R A compter de midi .

D "Cette heure de travail leur est remise du fait qu'ils sont tenus de partir une heure plus tôt, le lundi ou le mardi suivant, et leurs compagnons de travail font leur ouvrage " . C'est un peu le même cas que le cas précédent ? R Absolument .

D On obtient d'eux une heure de travail gratuit, on compense cette heure de travail par un congé, mais le congé est, en effet, payé par ceux qui restent et qui font le travail des absents ? R Des absents.

D Loi du salaire minimum des femmes : Cette loi est violée dans presque tous les départements de toutes les filatures par toutes sortes de méthodes dont voici les principales : ....." Ceci m'a l'air assez général et assez catégorique ? R Oui .

D "1. Par la surcharge d'ouvrage (au moyen des trois procédés décrits plus haut) qui fait que lorsqu'elle ne peut plus faire son salaire elle est congédiée et remplacée par une plus jeune." Quand vous dites "décrits plus haut", à quelle page voulez-vous nous renvoyer ? R Les trois cas de surcharge d'ouvrage .

D Vous voulez parler du paragraphe 5ième de la page 2, sauf erreur ? R Absolument .

D C'est cela que cela veut dire ? R Absolument

D C'est à cela que vous référez ? R Absolument

D "Au moyen des trois procédés décrits plus haut, qui fait que, lorsqu'elle ne peut plus faire son salaire, elle est congédiée et remplacée par une plus jeune." Or, pour que l'on puisse se comprendre, au paragraphe 5ième de la page 2, vous déclarez ceci : "Lorsqu'un ouvrier, au cours d'une semaine, dépasse sa production ordinaire, on lui donne son salaire, mais, la semaine suivante, on baisse le taux à la pièce de façon à ce que cet employé que son salaire hebdomadaire régulier. Advenant le cas que, plus tard, le métier va moins bien ou le matériel n'est pas aussi bon, l'ouvrier produit moins et subit une diminution de salaire . Au tisserand qui se plaint de ne plus recevoir son salaire antérieur,

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on lui donne quelques métiers de plus ...." C'est cela que vous voulez dire ? R Oui .

D ".... ou, si l'on considère qu'il en a déjà suffisamment, l'on accélère la vitesse des machines. De sorte que, par l'emploi des trois moyens précédemment indiqués, l'ouvrier finit par travailler constamment à la course, sans répit jamais, pour un salaire qui demeure toujours à peu près le même ." Vous appliquez ce que je viens de lire à la page 2, paragraphe 5, à la surcharge d'ouvrage dont vous parlez au paragraphe 1er de ce que vous dites sur la Loi du salaire minimum des femmes? R Exactement .

D Expliquez donc davantage comment on affecte le rendement ou le salaire des femmes ? R Lorsqu'une employée est basée sur son maximum d'ouvrage qu'elle peut faire, et d'argent qu'elle peut retirer, alors, si l'ouvrage va moins bien, ou qu'elle subit des pertes de temps quelconques, alors elle ne fait plus son salaire .

D Elle ne fait plus la production, elle ne fait plus le salaire ? R Oui . Alors, on voit à la remplacer par une autre .

D Si le salaire n'est plus suffisant pour entrer dans le cadre du salaire minimum des femmes, c'est là qu'on la remplace ? R Absolument .

D Si le salaire qu'elle gagne n'est pas le salaire prévu par la Loi du salaire minimum des femmes, c'est là qu'on la renvoie ? R C'est cela .

D C'est cela que vous voulez dire ? R C'est cela que je veux dire .

Q. Lui avez quelques critères de plus ....? C'est-
ce que vous voulez dire ? R. Oui.

Q. "..... enfin l'on constatera qu'il ne s'agit aut-
fiscaux, l'on modifie le vitrage des maisons, de
merie ou, par l'emploi des trois moyens précédemment
indiqués, l'on rendra vain tout travailler conscien-
cieux à la source, sans réels bénéfices, pour un salaire
qui le mettra toujours à peu près le même." Vous dé-
pliez ce que je viens de lire à la page 8, pare-
graphe 6, à la montage d'ouvrage dont vous avez
un percentage lié de ce que vous avez vu par la loi du
salaire minimum des femmes ? R. Incontestablement.

Q. Employez donc ouvrages comment on efforts la
production ou le salaire des femmes ? R. Lorsqu'
employée est bien sur un maximum d'ouvrage qu'elle
peut faire, et d'argent qu'elle peut rapporter, alors,
et l'ouvrage va moins bien, on m'a dit, avoir des pro-
tes de temps supplémentaires, alors elle ne fait plus
salaire.

Q. Elle ne fait plus la production, elle ne fait
plus le salaire ? R. Oui. Alors, on sort à la
conclusion que [illegible].

Q. Si le salaire n'est plus suffisant pour entrer
dans le cadre du salaire minimum des femmes, c'est
à qu'on la remplace ? R. Absolument.

Q. Si le salaire qu'elle gagne n'est pas le salaire
prévu par la loi du salaire minimum des femmes, c'est
elle qui le remplace ? R. C'est bien.

Q. Tout ceci, les vues [illegible] ? R. C'est

D "En faisant poinçonner les employées une demi-heure avant la fin de la journée et les obligeant à continuer à travailler sans paie, jusqu'à six heures," Vous dites que c'est une pratique qu'à cinq heures les employés poinçonnent comme si elles étaient parties et qu'elles ne partent pas? Dites-vous que c'est une pratique, cela ? R A ma connaissance personnelle, je ne peux pas donner de détails là-dessus .

D Sur le paragraphe E ? R Sur le paragraphe 2. Cela, c'est en dehors de mes connaissance personnelles .

D Ce sont des plaintes que vous avez reçues ?

R Ce sont des plaintes .

D Mais vous ne le savez pas personnellement ?

R Non.

D "Apprentis". Dans une filature, dans un certain département, les apprentis travaillent cinq à six mois sans salaire, après quoi ils sont congédiés et remplacés par d'autres ." Prétendez-vous qu'ils ne sont pas engagés ensuite, après avoir travaillé cinq à six mois sans salaire ? R Du moins, c'est ce qui nous a été prouvé .

D J'aimerais que vous nous le prouveriez, à nous aussi, si c'est vrai .

Me LAMOTT : La contraire a été prouvé à l'enquête .

Me BEAUDRAU : Tout ce que vous êtes en état de dire là-dessus, c'est le fait que dans une usine, - parce que ce ne sont pas toutes les usines qui sont

"On trouvait quelqu'un qui représente une construction avant le vote de la loupée ou les obligeant à construire à travailler sous peu. Jusqu'à ce moment." Vous dites que d'ici des problèmes qu'à point bureau les ouvrages joindraient sous ni plus ébaucht partie ou n'allez ne rentrent pas? Maintenant que c'est une réalité, oui? R. A la commission commerciale, je ne peux pas donner de détails là-dessus.

Q. Sur le paragraphe 27? R. Non le parlement. Oui, c'est en dehors de nos connaissances personnelles.

Q. De quel des plaintes que vous avez reçues? R. Il sont des plaintes.

Q. Avez vous la lettre pas confidentiel? R. Non.

Q. Apparentée. Mais une "Liberty", dans un autre document, les apparentés travaillent sur à un seul sous salaire, mais sous les [illegible] et employés par d'autres." Entendez-vous qu'il ne sont les mêmes gens, mêmes sous-traitants à qui vous sous soumis? R. Je crois, c'est quand sous a été pressé.

Q. L'alumina que vous sous la protection, à nous, si c'est vrai.

Me McCUTT : La construction a été prouvé à l'audition.

Me McCUTT : Tout ce que vous dites en vertu du [illegible], c'est la loi : que tous que nous, [illegible]

attaquées, dans une filature et dans un département d'une filature, cela se produit. Savez-vous quelle filature et quel département ? R Sherbrooke. Je ne sais pas quel département.

D Savez-vous quelle usine à Sherbrooke ? Il y en a plusieurs. R C'est la manufacture de coton Dominion Textile, je crois.

D La Dominion Textile, à Sherbrooke, mais vous ne savez pas quel département ? R Je ne peux pas affirmer. La place, c'est Sherbrooke, le département, je ne le sais pas.

D C'est Sherbrooke et c'est la Dominion Textile ? C'est cela votre affirmation ? R Dominion Textile.

D Le département, vous ne pouvez pas le dire ? R Non.

M. LE COMMISSAIRE : Quand nous avons siégé à Sherbrooke, nous avons entendu plusieurs employés du Dominion Textile. Je ne me souviens pas que nous ayons entendu parler de ce grief-là. R Je crois que cela nous est parvenu après que l'enquête a été passée. J'ai eu ce rapport-là après l'enquête.

D Le système a été installé après le rapport de l'enquête ?

Me GAUTHIER : Alors, comment peuvent-ils avoir travaillé cinq ou six mois sans salaire, si c'est après l'enquête ?

M. LE COMMISSAIRE : Nous avons siégé à Sherbrooke en mars, et pendant plusieurs jours, pendant au moins une semaine. Nous avons entendu un grand nombre d'ouvriers et d'ouvrières. Je ne crois pas que personne

ait donné un témoignage sur un sujet tellement grave; si c'est bien établi, cela, ce serait un système d'esclavage, absolument .

Me BEAUREGARD : Nous avons vu à Cornwall, qu'on faisait travailler, ou on laissait entrer des jeunes gens, des jeunes filles,- des petits garçons et des petites filles, plutôt,- on les laissait entrer dans l'usine où ils travaillaient, et aidaient des amis, des camarades pendant ~~xxxxxxx xxxxx~~ quelquefois, plusieurs semaines ou plusieurs mois; mais après ce stage d'apprentissage gratuit, elles n'étaient pas congédiées . C'était un moyen de s'assurer un emploi . Ici, ce serait beaucoup plus grave; après les avoir fait travailler cinq, six mois, on les renverrait .

M. LE COMMISSAIRE : Il me semble que c'est un peu tard dans l'enquête, à moins que cette plainte soit basée sur une preuve irrécusable .

Me GEOFFRION : On ne nous donne même pas le département . Il est difficile pour nous de nous défendre .

M. LE COMMISSAIRE : Monsieur Côté, il faudra spécifier beaucoup mieux que cela , parce que, comme je l'ai dit, nous avons siégé à Sherbrooke, nous avons donné l'occasion à tout le monde de venir exposer ses plaintes et ses griefs, maintenant, nous sommes à une époque très avancée de l'enquête et le sujet est très grave . Vous dites que c'est dans l'usine du Dominion Textile, à Sherbrooke, dans un certain département . Il faudrait au moins spécifier le département et nommer quelques-uns ou quelques-unes

des personnes dont il s'agit .Vous comprenez, ce n'est pas une question ordinaire, c'est une question tout-à-fait extraordinaire .

Me BEAUREGARD : Allons nous avoir une interruption de la séance ?

M. LE COMMISSAIRE : Cela soulève une autre question . Est-ce que nous en avons pour toute la journée ?

Me BEAUREGARD : Non, je ne le crois pas .

Me GEOFFRION : J'ai à contre-interroger le témoin.

M. LE COMMISSAIRE : Nous avions parlé de siéger demain à Ottawa .

Me GEOFFRION : Voici des accusations, aucune précision, rien du tout; je veux avoir des précisions . Si je veux me défendre, il faut que le témoin me dise où cela s'est passé .

M. LE COMMISSAIRE : Il s'agit ici d'un sujet très important sur lequel il vaut la peine d'enquêter à fond , mais je regrette que cet exposé nous arrive si tard .

Me BEAUREGARD : Votre Seigneurie, vous en voyez un peu le pourquoi ? c'est que ces messieurs ont fait leur travail dans le cours de l'été . Cette fédération n'a été formée qu'au mois de juin, leur travail a été fait au cours de l'été .

M. LE COMMISSAIRE : Nous ferons du mieux que nous pourrons . La question qui m'intéresse dans le moment c'est que nous avons averti tout le monde que nous serons demain à Ottawa; est-ce que nous pourrons

finir aujourd'hui ?

Me BEAUREGARD : Nous devrions finir aujourd'hui.

Me GEOFFRION : Je ne le sais pas . Je ne peux pas me défendre ; Monsieur vient de dire que c'est à sa connaissance personnelle; il vient le dire seulement aujourd'hui . Il est président depuis le mois de juin . Il faudrait savoir ce qu'il entend par sa connaissance personnelle . Je veux des précisions pour savoir s'il dit la vérité ou non . S'il avoue que c'est seulement des plaintes qu'il a eues, ce ne sera pas long . Si c'est à sa connaissance personnelle, je veux savoir quels sont les noms, quelles sont les dates . Accuser les gens de malhonnêteté, on ne le fait pas si facilement que cela .

M. LE COMMISSAIRE : Je vais vous donner une dizaine de minutes d'interruption .

(La séance est suspendue pendant six minutes)

(la page 11554 suit)

Me BEAUREGARD: Je continue, page sixième du document que vous avez produit:

"DOMMAGE FAIT AUX OUVRIERS:

"D'autres abus, méthodes vexatoires, frauduleuses, etc...., contribuent encore à avilir davantage les salaires.

10- Le bonus offert aux travailleurs, dans certaines filatures comme stimulant au travail, est tellement entouré de conditions, qu'il n'est pratiquement obtenu par personne. Dans tel endroit il n'est accordé que si l'ouvrier fait temps plein, ce qui n'est pas le cas de la majorité des ouvriers. Dans tel autre endroit, il est refusé si une tache d'huile souille la marchandise. Dans tel endroit enfin, il est diminué ou enlevé si l'ouvrage devient très facile, etc."

Ceci, n'est-ce pas, infère qu'il y a un bonus dans certains cas offert aux travailleurs. C'est un bonus dans le sens véritable du mot, c'est-à-dire un surplus, une prime accordée au salaire ou si cela fait partie de quelque façon du salaire ?

R Je puis dire à la Cour que dans certaines filatures c'est une prime, mais dans ce cas-ci ce sont des rapports de Drummondville.

D Savez-vous de quelle usine à Drummondville ?

R La Drummondville Cotton, à Drummondville.

D Alors, dans ce cas-ci, sommes-nous en présence d'un véritable bonus, c'est-à-dire d'une prime qui s'ajoute au salaire ou une façon d'augmenter

Me Duchesnay: Je continue, pour résumer ce
[illegible]

[illegible]

Tandis que, notre Vice-Président, [illegible]
ner, etc....., continuera à avilir davantage
les salaires.

Le homme arrive aux travaux forcés, [illegible]
[illegible] actuelle.
est tellement entravé de conditions, qu'il n'est
[illegible]. Tous les ouvriers
n'en a accordé que si l'ouvrier fait temps plein,
qui n'est pas le cas de la majorité des ouvriers.
Dans la petite industrie, il est rendu si une tonne
d'huile semble la [illegible]. Dans les [illegible]
[illegible], il est obligé de relever l'ouvrier [illegible]
[illegible], etc.

Ceci, n'est-ce pas, indique qu'il y a un homme
[illegible] des [illegible].
un homme dans le sens véritable du mot, d'abord
[illegible] un analyse, une [illegible] [illegible]
si cela fait partie du mujer [illegible] de salaire ?
Je veux dire à la Cour que dans certaines fi-
[illegible] c'est une arme, mais dans ce cas-ci on
[illegible] [illegible].

Savez-vous de quelle usine à Donnacona il
[illegible] la Donnacona Cotton, à Donnacona.
[illegible] [illegible] de [illegible]
[illegible] [illegible]
[illegible] [illegible]

le salaire proprement dit ou un salaire conditionnel, si vous voulez ? R: Je ne peux pas donner aucun mot définitif.

LE COMMISSAIRE: Il me semblerait que ce serait plutôt une partie du salaire qui est donnée pour la surproduction ? R: Pour moi, c'est ce que je crois.

Me BEAUREGARD: C'est destiné à augmenter la production ? R: Oui, de manière à ce que le travail...

LE COMMISSAIRE: C'est souvent une gratuité ou bien c'est quelque chose à laquelle l'ouvrier a droit, il y a une différence .

Me BEAUREGARD: Vous vous rappelez, probablement, que nous avons déjà eu connaissance d'un bonus à la Wabasso, dans le cas, par exemple, des femmes. A cause des lois du salaire minimum des femmes, dans les livres de la compagnie Wabasso, si j'ai bon souvenir, le salaire des femmes était d'abord entré sur la base exacte du salaire minimum des femmes et celles qui, par leur travail, méritaient un surplus, recevaient un surplus, mais ce surplus portait le nom de bonus?

LE COMMISSAIRE: C'était quelque chose à laquelle elles avaient droit ?

Me BEAUREGARD: Oui, c'était directement le prix de leur travail. Seulement on divisait la paie apparemment en deux: une partie pour se conformer strictement aux salaires minima des femmes et une deuxième

Le maître à nommément M. et du médecine [illegible]
il vous voulez ? R: Je ne sais pas [illegible]
[illegible] ?

Le Président : [illegible]

5 Faites une article du médecine [illegible] [illegible]
[illegible] ? R: Pour [illegible] [illegible]
le cercle.

Me [illegible] : [illegible] à [illegible]
10 [illegible] ? R: Oui, je [illegible] à [illegible]
[illegible] ...

Le [illegible] :

[illegible] [illegible] à [illegible]
[illegible]. Il y a [illegible].

15 Le [illegible] : [illegible]
[illegible] à la [illegible], [illegible] [illegible], [illegible]
à [illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]
20 [illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]
25 [illegible]

Le [illegible] : [illegible] [illegible] [illegible]
[illegible] [illegible] ?

Le [illegible] : [illegible] [illegible] [illegible]
30 [illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]

partie, qui était gagnée comme travail à la pièce, était appelée bonus. On pourrait discuter sur le sens propre du mot bonus.

LE TEMION: D'après ce que nous croyons. Moi, personnellement.

Me GEOFFRION: Est-ce une connaissance personnelle ou une plainte, cela ? R:C'est une plainte.

Me BEAUREGARD: Vous n'avez jamais travaillé à Drummondville ? R: Non, je ne puis pas dire personnellement.

Me BEAUREGARD: "2o- Dans presque toutes les filatures, les métiers sont mis en mouvement 10 minutes avant 7 hrs A.M. et marchent sans interruption jusqu'à 6 hrs et demie le soir. Pendant les 10 minutes du matin, l'heure du diner et la demi-heure du soir, les métiers sont laissés sans surveillance ou presque".

LE COMMISSAIRE: Tout à l'heure on a dit que c'était une demi-heure, c'est à peu près une répétition..... R: Dans quelques filatures, ce n'est pas toujours le même. C'est un autre aspect, cela.

D C'est une autre sorte de machine, cela ?

Me GEOFFRION: Non.

LE COMMISSAIRE: Qu'est-ce que c'est ? Prenez, par exemple, page quatre, numéro trois.

Me BEAUREGARD: Il est dit:"Le travail est

[illegible], qui dit il, remonte comme travail à la période, était auparavant bonne. On pouvait discuter sur la sous-[illegible] du [illegible].

Le Président: N'oubliez ce que nous avons. [illegible].

Le Président: Est-ce une communication [illegible] ou une plainte, oui ? [illegible] une plainte.

Le Président: Vous n'avez jamais été à Drummondville ? Si non, je ne vais pas [illegible].

Le Président: "Pendant toutes les [illegible], l'a [illegible] sont-ils en [illegible] [illegible] [illegible] ? Non, M.B. et [illegible] sans interruption jusqu'à 9 hrs et après le soir. Pendant les 10 minutes du matin, l'heure du dîner et la demi-heure du soir, les ouvrières sont laissées sans surveillance [illegible]".

Le Président: Tout à l'heure on a dit que c'était une demi-heure, c'est à dire une [illegible]. [illegible] ce n'est pas [illegible] de même. C'est un autre [illegible], oui.

Q. C'est une autre porte de machine, oui ?

Le Président: Non.

Le Président: [illegible] ? [illegible] [illegible], [illegible].

Le Président: Il me dit: "Le travail [illegible]

réparti...."

LE COMMISSAIRE: C'est de portée générale, cela, cela regarde les ouvriers à l'heure. Là il est dit "que l'ouvrier doit se rendre le matin à sept heures; mais le métier marche depuis 6½ hrs", alors qu'ici vous dites que "dans presque toutes les filatures, les métiers sont mis en mouvement dix minutes avant 7 heures du matin".

Me BEAUREGARD: Est-ce que vous faites double emploi ? R: Il y a des filatures qui commencent à six heures et demie, les métiers sont mis en opération à six heures et demie, et il y a d'autres filatures que c'est à moins dix le matin, sept heures moins dix le matin.

D Vous parlez de deux classes séparées ?

R Oui, absolument.

LE COMMISSAIRE: Le reste c'est la même chose. Vous dites que les machines marchent pendant l'heure du diner, par exemple ? R: Oui.

D Et le soir jusqu'à... R: Six heures et demie.

D Sous la surveillance de personnes comme les balayeurs, par exemple ? R: Oui. Et des fois pas du tout.

D En somme c'est la même plainte.

Me BEAUREGARD: C'est le même genre de plainte?

R Oui. Seulement c'est le dommage qu'ils font aux ouvriers. En lisant tout l'article je pense que cela nous aidera à trouver la distinction.

D "Po- Dans presque toutes les filatures, les métiers sont mis en mouvement dix minutes avant sept heures am et marchent sans interruption jusqu'à six heures et demie le soir. Pendant les dix minutes du matin, l'heure du dîner et le demi-heure du soir, les métiers sont laissés sans surveillance ou presque. Pendant ces intervalles, lorsque des brins cassent sur certains métiers et que ceux-ci n'arrêtant pas automatiquement, le tisserand, à son retour est obligé souvent de perdre une heure de son temps à remettre ces métiers en bonne condition. Lorsque les métiers marchent jour et nuit, le tisserand de jour est exposé à perdre encore plus de temps à faire la même opération pour la raison que les métiers fonctionnent près d'une heure de plus sans surveillance, soit de 6 heures à 7 heures le matin, après le départ de l'équipe de nuit.

Pour être pris moins de court, beaucoup de tisserands commencent leur journée à 6 heures quarante-cinq A.M.

Il y a des métiers non-automatiques avec une lumière rouge pour avertir le tisserand des brins qui se brisent. Mais cette lumière ne s'allume pas régulièrement, les tisserands subissent, par le fait même, une diminution de salaire par la mauvaise production qui s'en suit.

Bien que payés pour la bonne production pendant les intervalles que les métiers sont sans surveillance, les tisserands se considèrent quand même plus pardants que si les métiers ne marchaient jamais sans surveillance."

Côté

Autrement dit, ceci se résume à une plainte générale que les métiers travaillent à certaines heures sans surveillance ?

R Sans surveillance.

D Et bien que la production du métier travaillant sans surveillance est payante, l'ouvrier préfère que le métier ne travaille pas sans surveillance parce qu'il perd plus de temps à réparer la machine qu'il n'en gagne pendant que le métier travaille sans lui, c'est cela, votre affaire ? R: Et en plus il est responsable de l'ouvrage qui se fait dans ce temps-là. Alors, s'il se fait du mauvais coton et que ce coton-là lui revient, il est exposé à avoir des réprimandes du second "boss".

D Savez-vous s'il y en a des reproches ?

R C'est à lui qu'ils vont, ce n'est pas à celui-là qui le remplace, alors c'est un dommage.

D Il se plaint de ceci: d'un côté la perte de temps et d'autre part les reproches....

LE COMMISSAIRE: Nous avons entendu ce grief-là déjà, nous avons quelques cas là-dessus.

Me BEAUREGARD: "3o- Une expérience faite il y a quatre ans à montré que 4 " daffeuses" avaient le soin de douze métiers, elles étaient aidées du contremaître et de son assistant pour le "daffage". Le temps moyen pour " daffer" était de six minutes. Aujourd'hui la main-d'oeuvre est diminuée, le "daffage" prend vingt minutes, conséquemment le travail de l'opérateur du métier est retardé et parfois il est obligé de "daffer" lui-même (sans

paye". Ceci est assez clair. C'est à votre connaissance ? R: C'est une plainte qui nous vient de Sherbrooke.

LE COMMISSAIRE: Vous dites de Sherbrooke, c'est la Dominion Textile ? R: Oui.

Me BEAUREGARD: Les fileurs perdent du temps parce que le "daffage " est trop long et ils sont obligés de travailler eux-mêmes sans paye ? R: Absolument.

D "4o- Dans certaine filature, l'équité ne semble pas observée dans le travail et le salaire des "daffeurs". Ceux de jour reçoivent sept dollars et quarante par semaine (7.40) tandis que ceux de nuit, pour cinq heures de plus seulement, reçoivent treize dollars et cinquante (13.50) par semaine." Vous voulez dire que la proportion du nombre d'heures n'existe pas dans les salaires ? R: Non.

D 5o- Dans certaines filatures de coton brut, les ouvriers n'ont que vingt minutes pour luncher et se reposer. Les machines arrêtent à minuit, elles repartent à minuit et vingt, mais le salaire commence à compter qu'à partir de deux et trente heures A.M."

LE COMMISSAIRE: Où, cela ? R: A Drummondville. Pour moi c'est la Drummondville Cotton.

Me BEAUREGARD: C'est le rapport, cela ?

R Oui.

D "6o- Il est des filatures où les tisserands manquant de travail à la pièce sont tenus de s'occuper à triller des rouleaux, à d'autre ouvrage sans rémunération" où cela se passe-t-il ? R: A Drummondville, encore.

LE COMMISSAIRE: A la Drummondville Cotton ? Quelqu'un pourrait-il nous fournir ces details

Me BEAUREGARD: Alors, c'est une plainte, ce n'est pas à votre connaissance personnelle ? R: Non.

D "7o- Il est des filatures où une ouvrière, qui réclame du contremaître le taux horaire supérieur auquel elle a droit, s'entend souvent dire:"Pas d'achalage, adresse-toi au grand bureau; si tu n'es pas satisfaite donne la place à une autre, il y en a".

R Drummondville.

D Votre paragraphe est drôlement conçu, vous dites: "Il est des filatures où une ouvrière, qui réclame du contremaître le taux horaire supérieur ..."; il faudrait mettre une virgule, probablement :" auquel elle a droit." Votre prétention c'est qu'elle a droit à un honoraire supérieur et non pas qu'elle réclame un honoraire supérieur, xxxxxx lequel elle a droit d'avoir. Il faudrait mettre une virgule et un tiret ?

R Oui.

LE COMMISSAIRE: Où ? R A Drummondville et à Montréal aussi.

D Où, à Montréal ? R: A Hochalaga.

Me BEAUREGARD: A la Dominion Textile ? R: Oui.

D Autrement dit, ceci veut dire que l'ouvrière qui réclame le paiement véritable de son salaire, parce qu'elle ne recevait pas le salaire auquel elle a droit, se fait répondre comme vous dites ? R: Oui.

LE COMMISSAIRE: C'est encore grave, ceci. Cela se résume à dire qu'une ouvrière réclame ce qu'elle a gagnée, et qu'on lui dit:"On va te donner moins et si tu n'es pas contente il y en a d'autres ?

R Absolument.

D Quelqu'un pourrait-il nous fournir des détails

Me Bellemare, K.C., c'est une définition, ce qu'on y trouve complètement différente ? R: Oui.

Q "Zo- Il est des filatures où une ouvrière, qui réclame de contremaîtres le tous droits - supérieur en-vers - droit, n'opère pas avec des filatures. Choisissez-vous ou quand bien; si tu n'es pas satisfaite comme tu place à une autre, il y en a".

R Parfaitement bien.

Q Votre interrogatoire et différemment compris, vous disiez "Il est des filatures où une ouvrière, qui réclame du contremaître le tous droits supérieur ...*; il faudrait mettre une vir-gule, probablement :" quand elle a droit." Votre intention c'est qu'elle a droit à un honnête supérieur et non pas qu'elle réclame un honnête supérieur, maintenant lorsqu'elle a droit d'-vir. Il faudrait mettre une virgule et un tiret ? R: Oui.

La COMMISSAIRE : Où ? R A Trois-Rivières et à Montréal aussi.

Q Où, à Montréal ? R: A Montréal.

Me Mathieu : A la Montréal textile ? R: Oui.

Q Autrement dit, cela veut dire que l'ouvrière qui réclame le paiement véritable de son salaire, parce qu'elle ne trouvait pas le mécanisme aussi qu'elle a droit, se fait répondre comme vous dites ? R: Oui.

Le Commissaire : Vous avez parlé, tout à l'heure, à propos d'une ouvrière réclame ce qu'elle a droit, et qu'on lui dit:"On va le donner" et si on n'en a pas conclure il y en a d'autres ?

R Parfaitement.

là-dessus ? R: Je crois que oui, je crois qu'il y a quelqu'un à Hochelaga qui a été victime de cela.

D Vous donnerez son nom à M. Beauregard ? R: Oui.

Me BEAUREGARD: "So- Il est des filatures où des hommes sont parfois tenus de rester à l'atelier des nuits entières et durant une semaine à attendre de l'ouvrage pour ne retirer à peu près rien à la fin de la semaine " Où cela se passe-t-il comme cela, pouvez-vous dire ? R: A Drummondville.

D C'est un rapport, alors ? R: Oui. A Montréal.

LE COMMISSAIRE: A Drummondville c'est toujours la Drummondville Cotton? R: A Montréal aussi.

D A Montréal, où ? R: A La Dominion Textile.

Me BEAUREGARD: Qu'est-ce que vous voulez dire par le dernier paragraphe: "Sont parfois tenus de rester à l'atelier des nuits entières à attendre de l'ouvrage ? R: Ce sont des gens qui travaillent à la pièce, à la "job", autrement dit, et puis ils sont obligés d'attendre que l'ouvrage vienne. Par exemple, ceux qui ajoutent les "warps", quand ils ont fini on attache un autre au bout, ils sont là à attendre, parce qu'il y a des "warps" qui ne finissent pas parfaitement, on attache, des fois. Il y a des nuits entières qu'il n'en sort pas, ils attendent pour rien.

D Ils sont présents dans l'usine ? R: Oui.

D Et ils ne travaillent pas ? R: Oui.

Me GEOFFRION: Comment sont-ils payés ?

R: A la pièce, suivant le travail produit.

Me MERRIGARD: Vous qualifiez cela pour rien, à peu près rien ? R: Oui.

D "90- Dans la soie naturelle il est des tisserands qui ne savent pas combien ils font de milles "picks" par semaine. Engagés à cinq cents et six cents la verge, ils ne retirent jamais plus que quatre cents et demi ou cinq cents et demi la verge. C'est qu'à l'inspection, même s'ils n'ont eu reçu de plaintes, leurs pièces d'ouvrage sont coupées d'une demi cent la verge. Dans d'autres filatures ils perdent sept à huit verges sur chaque quatre-vingt-dix verges qui passent à l'inspection. Et sur les marchandises de seconde classe, ils perdent une cent et demie la verge quand ce n'est pas le prix entier de la verge". A quelle usine référez-vous ? R: A la Roessell, à Drummondville.

D Vous commencez par dire qu'ils ne savent pas combien ils font de milles "picks" par semaine et vous continuez en disant " engagés à cinq cents et six cents la verge"; autrement dit ils ne sont pas payés sur la base de milles "picks" ? R: Ça doit être un autre cas, je ne puis pas dire exactement. Ils peuvent en avoir engagés aux milles "picks" et d'autres à cinq ou six cents de la v S'il n'y a pas de cadran pour compter les mil "picks" il faut les payer à la verge.

Lord

Les deux [illegible] sont l'union ? Il est dit.

Et les un trans-Atlant pour ? Il est dit.

Le Président : Comment sont-ils payés ?

A la pièce, sur vue ou travail produit.

Le Président : Vous quittez cette pour rien, [illegible] pas [illegible] ? Non, [illegible].

"Ho- Que le sale naturelle il est les [illegible] qui ne savent pas combien ils font de milliards "pièces" par semaine. Comme à cinq cents et cela sans le vouloir, ils ne veulent jamais plus que quatre cents et demi ou cinq cents et demi le coupe. C'est qu'à l'insection, mais s'il n'est pas trouvé de pièces, [illegible] dans l'ouvrage sont coupées d'une demi cent le verre. Mais s'autres différences ils produisent sont [illegible] verres sur chaque centre-vingt-six à trois [illegible] à l'insection. Et que le surveillant de surcharge chaque, ils produisent une cent et demi le verre quand ce n'est pas le prix courant de "à verre". [illegible] quelle usine [illegible] ? Il : à la [illegible] à Drummondville.

Vous commencez par dire qu'ils ne savent pas combien ils font de milliards "pièces" par semaine et vous continuez en disant " comme à cinq cents et [illegible] ? Il est dit. Et que la base de milliard "plaque" ? Il : Ce n'est pas un [illegible] ou, je ne suis pas [illegible] [illegible] Le Président : Ce n'est [illegible] "[illegible] ou d'[illegible] ? Il est dit. Et [illegible] n'a pas de [illegible] [illegible] ?

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Me GEOFFRION: Vous n'en savez rien personnellement ? R: Non, c'est le rapport de l'enquête.

Me BEAUREGARD: "10o- Dans la soie comme dans la plume, les tisserands doivent passer eux-mêmes les "smash" faits de "smasher", et il y a qu'un arrangeur de métier par soixante-seize métiers, ce qui est beaucoup dans ces branches." Alors, cela c'est de l'enquête ? R: Oui.

LE COMMISSAIRE: Il y a un arrangeur de métier par soixante-seize métiers, mais où ? R: A Franham et à Granby.

Me GEOFFRION: A quelles compagnies ? R: Je ne peux pas spécifier.

D: C'est une plainte aussi cela ? R: Oui.

Me BEAUREGARD: "11o- Dans un certain département d'imprimerie du coton, les opérateurs réguliers sont par ordre momentanément suspendus de la conduite de leurs machines et remplacés par des substituts sans expérience; ils sont ensuite responsables des manques faits par ces substituts". Savez-vous à quelles usines ? R: A Magog, à la Dominion Textile.

LE COMMISSAIRE: Quel département, savez-vous ? R: L'imprimerie du coton.

Me BEAUREGARD: Le titre suivant c'est "SURCHARGE D'OUVRAGE" "Dans toutes les filatures des différentes branches du textile, et principalement dans le coton, le nombre de métiers par employé a augmenté depuis quelques années au-delà de l'endurance physique de la moyenne des ouvriers. Depuis l'enquête royale, certaines

filatures ont encore abusé à cet abus, en diminuant aussi les salaires. Le surmenage des ouvriers s'ajoute aussi du fait qu'ils doivent faire, dans certaines filatures, l'inspection du coton en tissant.

Côté

Les ouvriers qui n'ont pas l'endurance de suivre les autres sont congédiés."

LE COMMISSAIRE: Qu'est-ce que cela veut dire: "faire l'inspection du coton en tissant "?

R Si on a cinquante ou soixante machines à tisser on est obligé de surveiller le coton qui est fait sur le rouleau. Alors qu'il se roule sur le rouleau il faut le surveiller pour qu'il n'y ait rien qui passe, pour pas qu'il y ait de manques, qu'il ne passe aucune imperfection. Cela demande beaucoup d'attention.

Me BEAUHARNOIS: En tissant l'ouvrier est obligé de se pencher au bas de sa machine pour voir le coton qui se roule ? R: Oui.

R LE COMMISSAIRE: Ce n'est que dans certaines filatures, c'est pour cela que je pose la question: Est-ce qu'il y a d'autres filatures où le tisseur ne fait pas l'inspection de son coton ? R: Oui.

D Quelles sont les filatures dont on se plaint ici ?

Me BEAUHARNOIS: Vous dites:"Dans toutes les filatures des différentes branches du textile, et principalement dans le coton... le surmenage des ouvriers s'ajoute aussi du fait qu'ils doivent faire, dans certaines filatures, l'inspection du coton en tissant." Il s'agit de cette phrase... ?

R Je crois que c'est dans Sherbrooke.

D A la Dominion Textile? R: Oui.

Me GLOUTHION: C'est encore une plainte, alors ?

R Oui.

Me [illegible]: "Les Ouvriers qui n'ont pas l'endurance de suivre les autres sont congédiés". Est-ce que c'est local, cela, ou général ?

R On peut dire que c'est général.

D Quand vous dites "n'ont pas l'endurance de suivre les autres ", voulez-vous dire que c'est un métier très intelligent ? R: Oui.

D Et qu'un certain nombre de personnes ne sont pas capables de le continuer, de le faire de la même façon que les autres ? R: Oui, absolument. S'il y en a un autre meilleur que lui pour le remplacer, on l'ôte.

D "Il arrive souvent que les employés ont ordre de quitter l'atelier une demi-heure ou une heure avant l'heure de fermeture régulière, lorsque le maximum de production quotidienne est obtenu ? R:Cela, c'est général. On les surmène toute la journée et quand l'ouvrage est fini, s'ils ont quatre, cinq ou six heures, on les renvoie. Ils sont payés à la journée.

D Vous parlez des travaux à la journée ? R: Oui.

D Ils sont payés à l'heure, vous voulez dire ?

R Oui, ils sont payés à l'heure.

D Comme la production prévue est atteinte, ils sont renvoyés et c'est une économie d'autant ? R: Oui.

Me GLOUTHION: Vous dites quatre ou cinq heures ?

R Il n'y a pas d'heure. Ca peut être à neuf heures le matin, ça ne fait pas de différence. On fait tout ce qu'il y a le plus vite possible et ensuite on les envoie.

LE COMMISSAIRE: Alors, ce serait un système par lequel on restreindrait la production du jour à tant et cette production atteinte on n'a plus de travail ?

R Oui.

Me BEAUREGARD: Le patron aurait déterminé quelle somme de travail doit se faire dans la journée, cette somme de travail est atteinte le plus tôt possible et quand ce travail prévu pour la journée est exécuté, quelle que soit l'heure de la journée les ouvriers seraient renvoyés ? R: C'est exactement cela.

Q C'est la nature de votre plainte ? R :Oui.

LE COMMISSAIRE: Qu'est-ce que l'on proposerait, qu'est-ce que l'on devrait faire ? Devrait-on ramener au travail quand même le reste du temps ou leur permettre de travailler plus facilement ?

Me BEAUREGARD: Prendre un peu plus leur temps.

LE TEMOIN: Prendre un peu plus leur temps et moins se fatiguer.

LE COMMISSAIRE: Voulez-vous dire que les ouvriers sont surmenés ? R: Oui, surchargés.

Me BEAUREGARD: C'est le titre du paragraphe général:"Surcharge d'ouvrage". On les fait travailler le plus possible pendant le temps qu'ils sont là.

LE TEMOIN. Oui. Si on a la chance de les envoyer avant l'heure ils mènent une heure, deux heures.

Q Quand ils ont produit le rendement prévu on

les renvoie ? R: Oui.

D Vous voudriez qu'il y ait moins de hâte...

R A faire faire l'ouvrage.

D Moins de surcharge ? R: Oui.

D "Quand l'ouvrage diminue, on ne garde que deux hommes là où il en faudrait quatre" Page 9. "Quand l'ouvrage diminue on ne garde que deux hommes là où il en faudrait quatre". Vous voulez dire quand il n'y a pas assez d'ouvrage ? R: Oui. Quand l'ouvrage diminue, c'est-à-dire si à un certain temps on n'a pas les heures suffisantes, par exemple, pour en employer quatre, alors on en renvoie toujours plus qu'on devrait.

D S'il n'y a pas assez d'ouvrage pour employer tout le département on en renvoie plus qu'on devrait en renvoyer ? R: Oui. Et on surcharge les autres davantage pour faire cet ouvrage-là quand même.

D Ceux qui sont gardés ont plus de travail à faire que normalement ils devraient en avoir ? R: Oui.

D C'est votre grief ? R: Oui.

D C'est à votre connaissance personnelle, cela ? R Oui.

LE COMMISSAIRE: Où ? R :Pratiquement partout: Montréal, Sherbrooke. A la Dominion Textile, dans tous les cas.

Me BEAUREGARD: "Dans certaines filatures, département de la carde, les filles font un travail qui était autrefois fait par des hommes. Elles transportent des canistres de coton pesant environ vingt

en plus de la direction des métiers et le nettoyage et le "daffage" des mêmes métiers." Vous prétendez que c'est un travail trop fort pour les femmes ? R:Oui. C'est une enquête de Sherbrooke.

D C'est un travail d'homme, cela ? R: Oui.

D "Le travail des "spools" et des "warpers" est très épuisant pour les filles, surtout maintenant qu'elles sont de moitié moins nombreuses qu'autrefois pour exécuter le même travail" ? R: C'est pour Sherbrooke.

D Toujours sous le titre de "surch rge" n'est-ce pas ? R: Oui.

D "Les "roving-men" doivent faire le nettoyage de leurs machines sur l'heure du midi. Ils vont prendre leur dîner de une heure à deux heures et à leur retour ils sont encombrés pour le reste de l'après-midi, pendant laquelle ils courent continuellement. Chaque ouvrier doit prendre soin de soixante métiers de deux cent quatre-vingts fusseaux chacun, ces fusseaux sont transportés sur une distance de quatre cents pieds. Le salaire pour tout ce travail est de treize dollars et vingt-cinq cents ($13.25) par semaine."

LE COMMISSAIRE: C'est un salaire fixe par semaine ?

Me BEAUREGARD: Sont-ils payés à salaire, à la semaine ? R: C'est un grief de Sherbrooke, cela. Maintenant, je ferai remarquer ici que lorsque l'on dit qu'ils sortent de une heure à deux heures et qu'ils "cleaned" tout l'après-midi, c'est-à-dire que pedant qu'ils vont dîner, de une heure à deux heures, leur

ouvrage n'est pas fait par personne, leur ouvrage régulier...

Me BEAUREGARD: Leur ouvrage s'accumule ?

R Oui. Quand ils arrivent ils travaillent comme des fous le reste de la journée.

D Ils travaillent à nettoyer pendant l'heure du midi, c'est-à-dire le temps que les machines sont arrêtées ? R: Oui.

D Ils travaillent à nettoyer pendant ces temps-là ?R : Oui.

D Et ils s'en vont dîner d'une heure à deux heures, mais là les machines travaillent ? R: Oui.

D Et prennent de l'avance sur eux ? R: Oui.

D Quand ils reviennent ils sont encombrés d'ouvrage parce que les machines ont pris le devant ?

R Oui.

D Tandis que s'ils avaient été sur place quand les machines ont commencé à travailler ils auraient pu suivre ?R R: Oui.

LE COMMISSAIRE: On commence par dire que ces hommes-là font le nettoyage de leurs machines sur l'heure du midi ?

Me BEAUREGARD: C'est-à-dire de midi à une heure.

LE COMMISSAIRE: Ils sont là à nettoyer leurs machines, ensuite ils vont prendre leur dîner, de une heure à deux heures, ils ont droit de faire cela ?

LE TRIBUN: A n'importe quelle heure.

Me BEAUREGARD: C'est parce que de midi à une heure les machines sont arrêtées pour le nettoyage ? R: Oui.

D Il faut nettoyer pendant ce temps-là ? R: Oui.

D Ce nettoyage se fait de midi à une heure parce que les machines sont arrêtées de midi à une heure ?

R Oui.

D Quand ils vont dîner ? R: Oui.

D Ils s'absentent d'une heure à deux heures ? R: Oui.

LE COMMISSAIRE: Au lieu de prendre de midi à une heure: R Oui.

Me MEREDITH: De une heure à deux heures cependant les machines travaillent ? R: Oui.

D Et c'est pendant ce temps-là que les machines prennent de l'huile dans eux ? R: Oui.

D Lorsque ils reviennent ils sont obligés de refaire le travail de l'après-midi dans une heure de moins de travail ? R: Oui.

D C'est de là que vient le surcroît d'ouvrage ?

R Oui.

LE COMMISSAIRE: La plainte consiste en ceci, qu'on laisse des hommes là à nettoyer leurs machines pendant leur heure de dîner ? R Oui.

D De midi à une heure ? R: Oui.

Me MEREDITH: En s'absentant de une heure à deux heures...

LE COMMISSAIRE: Tout cela dépend de ce qu'on les oblige à nettoyer leurs machines entre midi et une heure, qui est leur heure de repas et de repos, c'est le cas, cela va R Oui.

D Vous avez des preuves de cela ? R: Absolument, des preuves irréfutables.

Me GROWNLOW: C'est un rapport de Sherbrooke,

côté

R Sherbrooke, Montréal et d'autres centres, je ne le sais pas.

LE COMMISSAIRE: En d'autres mots, cette heure de midi à une heure est donnée non seulement pour manger mais pour nettoyer ?

Me GEOFFRION: Ils vont manger plus tard ?

LE COMMISSAIRE: Il est entendu, parce qu'ils n'ont pas le temps de faire les deux, manger et nettoyer, en même temps.

Me BEAUREGARD: Vous continuez en disant: "A l'enquête Turgeon il y avait quatre nettoyeurs pour 400 métiers, deux hommes aujourd'hui font le même travail ". Vous voulez dire avant l'enquête Turgeon, je suppose ? R: Absolument.

D On devrait plutôt lire "avant l'enquête " ?

R A l'enquête, au cours de l'enquête.

LE COMMISSAIRE: Vous parlez de Sherbrooke ?

R Oui.

D Vous dites qu'il est survenu un changement depuis que nous avons été à Sherbrooke ? R: Oui.

D Que là où il y avait quatre nettoyeurs il n'y en a maintenant que deux ? R: Oui.

Me BEAUREGARD: Il y en a deux maintenant pour le même travail ? R: Oui.

(L'audience est levée)

APPELLE DE L'APRES-MIDI

Me BEAUHARNOIS: Nous étions rendus, je crois, à la page 9, à l'item "INSPECTION:"Il est des filatures, dit votre rapport, où les tisserands doivent faire l'inspection en tissant, ce qui n'est nullement pas faisable, vu le nombre de métiers qu'ils surveillent, s'ajoutant à la rapidité des machines". Quel pourrait être le nombre de métiers que vous avez dans l'esprit vu disant: vu le nombre des métiers qu'ils surveillent? R: Cela varie. Il y a des manufactures où il y a jusqu'à cent vingt (120), cent cinquante (150) métiers à surveiller.

D Ce que vous voulez dire c'est que le tisserand ne peut pas en même temps voir à la qualité du tissu qui se produit sur chacune des machines ?

R Absolument.

LE COMMISSAIRE: Nous avons déjà cette même plainte formulée sous le chef de "SURCHARGE D'OUVRAGE": "Le surmenage des ouvriers s'aggrave aussi du fait qu'ils doivent faire, dans certaines filatures, l'inspection du coton en tissant". C'est à peu près la même chose.

Me BEAUHARNOIS: Je crois que c'est la même chose. C'est une redite ? R: Oui.

LE COMMISSAIRE: Comment se fait-il que vous avez mis l'entête d'"INSPECTION"?

Me BEAUHARNOIS: C'est à proprement parler de la surcharge d'ouvrage et c'est déjà couvert par ce que nous avons vu précédemment ? R: Oui.

LE COMMISSAIRE: Vous avez nommé l'usine de la Dominion Textile à Charlesbourg ? R: Oui.

Me BEAUREGARD: Page suivante: "DIVERS.- Femmes et filles se plaignent de travailler trop souvent le soir quand il y a surcroît d'ouvrage dans certains départements". Jusqu'à quelle heure, jusqu'à neuf heures, je suppose ?

R On ne spécifie pas l'heure. Des fois huit heures, des fois neuf heures.

D Ce n'est pas plus tard que neuf heures, n'est-ce pas ? R: Non.

LE COMMISSAIRE: Vous dites "Dans certains départements", c'est où ? R: Cela, c'est dans Magog. C'est dans la teinturerie.

Me BEAUREGARD: A la Dominion Textile, à Magog, dans la teinturerie ? R: Oui.

D "Travailler trop souvent", qu'est-ce que cela veut dire ? Est-ce une saison entière, ou un mois ou plusieurs jours de suite ? Savez-vous ce que cela veut dire: R: Je crois que cela se répète trop souvent, toutes les semaines, toutes les deux semaines. Il n'y a pas un temps spécial pour cela, par exemple. Il y a un règlement qui dit, paraît-il, qu'elles ont droit d'avoir une exemption de six semaines je crois par année, ou on ne fait pas travailler les demoiselles...

D La plainte dit que ce serait au-delà des six semaines prévues par la loi ? R: Oui. Cela peut arriver toutes les deux semaines ou toutes les semaines, quand il y a de l'ouvrage, un surcroît d'ouvrage.

D Sauf erreur dans la loi, le droit de l'usine doit demander la permission aux autorités provinciales ?

R Oui.

D D'après votre rapport, les femmes seraient appelées à travailler au-delà du temps qui peut être permis en vertu de la loi provinciale ? R: C'est ce qu'ils nous ont laissé savoir.

D "Il est une filature dans laquelle les hommes de nuit sont treize heures, y compris l'heure du repas. Le samedi, au lieu de commencer à six heures P.M., ils commencent à midi pour finir à minuit et, si durant la semaine il y a fête chômée, ils continuent jusqu'à six heures A.M. le dimanche matin, violant ainsi la loi du repos dominical." Ici vous avez deux griefs en même temps...

LE COMMISSAIRE: D'abord, savez-vous de quelle filature on parle ? R: Montmorency.

Me BEAUDOUARD: "Le samedi, au lieu de commencer à six heures P.M. ils commencent à midi" ? R:Oui.

D C'est Montmorency ? R. Oui.

LE COMMISSAIRE: Est-ce que c'est la déclaration de M.l'abbé Côté ?

Me BEAUDOUARD: Je crois que c'est sur ce point-là que nous avons eu par le témoin Pontaré et l'abbé Côté des renseignements la semaine dernière.

R C'est venu du syndicat de Montmorency.

Me GRIFFON: A Montmorency c'est un cas isolé, c'est "effrayant" ce que cela augmente en voyageant.

LE COMMISSAIRE: Puisque nous avons le témoignage direct de Montmorency, qui a été préparé avec toute

seulement par l'abbé Côté, nous devons nous en tenir à ce que nous avons.

Me BEAUREGARD: "Beaucoup de femmes mariées sans enfants travaillent comme tisserandes avec leur mari, alors que des centaines d'hommes chôment. Quand l'ouvrage diminue on garde généralement à l'emploi les jeunes de deux ou trois ans d'expérience". Vous avez deux griefs, celui que les femmes mariées sans enfants travaillent alors que des centaines d'hommes chôment, d'abord ? R: Oui.

D: Est-ce un fait constant, cela ? R: Elles travaillent et leurs maris travaillent aussi.

D: Les maris et les femmes travaillent à l'usine ? R: Oui.

D: Tandis qu'il y a des pères de famille et des hommes qui n'ont pas de travail ? R: Oui.

LE COMMISSAIRE: Est-ce que cela existe dans une filature quelconque ? R: Nous verrons cela à Drummondville, là où on a fait une plainte. Maintenant, il y a d'autres filatures aussi où la même chose se produit. On voit dans des filatures que l'homme travaille, la femme travaille et les enfants travaillent, et il y a beaucoup de chômage dans le textile. Alors, Alors, tout l'argent entre dans la même famille.

D: Vous dites "quand l'ouvrage diminue on garde généralement à l'emploi les jeunes de deux ou trois ans d'expérience". Est-ce qu'il y a une raison pour cela, est-ce qu'on les paierait moins cher? D'abord, où cela se pratique-t-il, quand l'ouvrage diminue, et est-ce que cela se pratique généralement ?

R C'est général, ce cas-là.

LE COMMISSAIRE: C'est-à-dire qu'il n'y a pas de priorité d'âge ? R: Non, on garde celui que l'on veut. Je ne sais pas si on le paie moins cher ou qu'il est plus vite qu'on paire, mais moi, s'occuper pas de cela, de la séniorité, du tout.

Me MACDONALD: Vous continuez en disant:"Souvent les vieux employés sont payés moins cher que les nouveaux, qui savent se "coller" au contremaître." Je crois que vous voulez dire ici qu'il y a un parti-pris, du favoritisme ? R: Oui.

D Croyez-vous que ceci fait partie d'une accusation générale si ceci ne serait pas individuel quant à quelques contremaîtres ? R: Cela ne veut pas dire que c'est tous les contremaîtres.

LE COMMISSAIRE: Est-ce que cela veut dire qu'il y a deux taux de paye, un taux pour ceux qui ont des faveurs du contremaître et un taux pour ceux qui ne les ont pas ? R: Cela se fait.

D Est-ce que cela veut dire que les vieux sont payés moins cher que les nouveaux "qui se collent" aux contremaîtres" ?

R Assez souvent.

Me MACDONALD: Dites-vous que c'est une question de tarif, dites-vous que ces nouveaux employés qui, comme vous dites, savent se "coller" aux contremaîtres, ont un tarif plus élevé que les autres ou si cela dépendrait du fait qu'ils sont choyés et qu'ils sont choisis de préférence pour faire les travaux

reconnu comme plus rapide ? R: Je crois et je suis persuadé qu'il y a un taux fixe pour un tel ouvrage. Par exemple, s'ils sont trois ou quatre qui font le même ouvrage, un gagne plus cher que les autres.

Q LE COMMISSAIRE: Où avez-vous constaté cela ?

R On a constaté cela à Drummondville. J'ajouterai qu'à Montréal la même chose se fait aussi.

Me DONOVAN: A la Dominion Textile ? R: Oui.

Q Vous continuez en disant: "Certains contremaîtres aussi favorisent injustement des jeunes filles par des meilleurs salaires et des meilleures positions." Voulez-vous dire qu'ils les favorisent au préjudice d'employées plus vieilles, aussi compétentes et plus compétentes, mais plus anciennes ? R: Je ne crois pas que c'est de cette manière là qu'ils aie voulu expliquer par le rapport qu'ils nous ont soumis.

Q Qu'est-ce que vous entendez par "favorisent injustement des jeunes filles par des meilleurs salaires ?" S'agit-il de salaires à l'heure ou à la pièce ?

R Je ne puis pas dire.

Q Est-ce au préjudice de filles moins jeunes ?

R Je ne peux pas préciser.

LE COMMISSAIRE: Où cela existe-t-il ? R: A Sorel, que je peux préciser. Mais il est très probable que cela existe ailleurs aussi.

Me DONOVAN: "Il est des filatures dans lesquelles le travail de nuit est préférablement donné à des étrangers plutôt qu'aux Canadiens-français, et d'autres où très souvent un est renvoyé de ses services

pour faire place à un étranger". Voulez-vous donner quelques éclaircissements ici, qu'est-ce que vous voulez un étranger plutôt qu'un résident de l'endroit ?

R: Un étranger...

Q: C'est un nouveau venu ?

R: Oui. Qui viendrait de Montréal, par exemple, qui irait travailler à Sherbrooke; il aurait la préférence sur un homme qui reste à Sherbrooke.

Q: C'est une personne venant d'un autre district ?

R: Oui.

Q: Cela ne veut pas dire qu'il vient d'un autre district ?

R: Non.

Q: Cela veut dire qu'il vient d'une autre filature ou d'une autre ville et qu'il a la préférence...

LE COMMISSAIRE: Parlez-vous à Sherbrooke ?

Certainement, Drummondville.

LE MAJOR FORTIN: Vous continuez en disant:"et d'autres où très souvent un résident est remercié de ses services pour faire place à un étranger". C'est le même sorte d'étranger ? R: Oui.

Q: Voulez-vous dire, dans la dernière partie, à quelles filatures cela s'applique:"Et d'autres filatures où très souvent un résident est remercié de ses services pour faire place à un étranger ? R: Je crois que le Fait Remorency est dans ce cas-là aussi, est à ajouter aux autres.

Q: Vous continuez en disant:"Dans une filature l'on oblige les employés à prendre une assurance maladie-accident, qui ne rembourse rien pour les accidents

survenus dans cette filature. Cette assurance doit être prise en plus de celle du Gouvernement sur les accidents de travail. C'est une nécessité "sine qua non" sans obtenir de l'emploi. Elle semble exister seulement pour favoriser une compagnie amie." De quelle filature s'agit-il ? R: Sherbrooke.

LE COMMISSAIRE: Quelle est la compagnie amie ?

R: La Dominion Textile.

Me BRAMAN: C'est le nom de l'usine, cela, mais la compagnie d'assurance qui s'occuperait de cela ? R: Je ne suis pas au courant de la compagnie d'assurance.

Q: "Des ouvriers accomplissant le même travail que des ouvrières reçoivent moins de salaire que des ouvrières, protégées quelque peu par la loi du salaire minimum des femmes."

LE COMMISSAIRE: Pour revenir à Sherbrooke, à propos de l'assurance maladie-accident, est-ce que l'on nous a parlé de cela à Sherbrooke ?

Me BRAMAN: Tout ce dont nous avons entendu parler, c'est qu'il y avait une assurance. Il y avait des retraites pour assurances. C'est la compagnie Metropolitan, si j'ai bon souvenir.

Me GUERIN: C'est nous qui avons fait la preuve de cela.

Me BRAMAN: Nous avons demandé aux employés ce que l'on retenait sur les payes, ils ont dit dix cents (0.10). Je crois que la preuve est à l'effet que les employés laissaient cinq ou dix cents pour l'aide, l'hôpital, qu'ils étaient au-dessous ou au-dessus de

dix dollars (10).

Me BEAUDRY: La preuve c'est que la compagnie contribuait aussi ?

LE COMMISSAIRE: Voici la question qui se pose: est-ce que l'assurance est obligatoire, est-elle une condition de l'emploi ?

Me BEAUDRIGARD: Vous dites ici, M.Côté, que c'est obligatoire; est-ce que cela veut dire que si l'assurance n'était pas prise que les employés perdraient leur emploi ?

M. CÔTÉ: C'est un rapport qui vous est donné, c'est exact.

LE COMMISSAIRE: Est-ce qu'on nous a dit à Sherbrooke que ces assurances étaient obligatoires ?

Me BEAUDRIGARD: Je n'ai pas de souvenir que les employés ont dit cela de façon aussi ferme que le dit ce rapport-ci.

LE COMMISSAIRE: Une autre chose. Ils disent ici que cette assurance ne protège pas contre les accidents de travail; comment cela se fait-il si c'est une police d'assurance de maladie-accident...

Me BEAUDRIGARD: Nous avons eu dernier un exemplaire de la police d'assurance.

D. De Sherbrooke ?

R. Oui. Nous avons eu dernier un exemplaire de la police d'assurance, nous avons un blanc de police produit comme exhibit.

LE COMMISSAIRE: Si vous avez la police voulez-vous la produire ? Parce que je sais que j'ai eu vent d'une assurance à Louiseville. Mais certainement la compagnie n'en pleindre, au contraire.

Me LANCTOT: C'étaient les employeurs qui payaient ?

Me BEAUHEGARD: "Des ouvriers accomplissant le même travail que les ouvrières reçoivent moins de salaire que ces dernières, protégées quelque peu par la loi du salaire minimum des femmes .

LE COMMISSAIRE: Cette question est déjà venue devant nous.

Me BEAUHEGARD: C'est une question qui est venue devant la Commission, il me semble, mais jamais de façon précise.

LE COMMISSAIRE: Ce qui est arrivé c'est que les femmes sont payées moins que les hommes, ici, c'est le contraire.

Me BEAUHEGARD: Dans le même travail les femmes étaient moins payées que les hommes, où avez-vous eu cette plainte-là ?

LE TEMOIN: Drummonville.

LE COMMISSAIRE: Cela voudrait dire que les hommes en question reçoivent moins que le salaire minimum des femmes ?

R: Dans ce cas-là, oui.

Me BEAUHEGARD: On semble indiquer que le salaire des femmes se trouvait déterminé par la loi du salaire minimum ?R: Oui.

D: Et les hommes, en faveur de qui il n'y a pas de salaire minimum, font le même travail que ces femmes-là pour un salaire moindre ? R: Oui.

D: " HYGIENE.- Dans la plupart des filatures des

diverses branches du textile, les règlements de la loi des établissements industriels concernant le bien-être des ouvriers et ouvrières ne sont pas observés de beaucoup, particulièrement dans ceins départements. Ainsi, pas de vestiaires pour y ranger de vêtements, et les y déposer, pas de place pour y prendre le diner - l'on est obligé de s'asseoir par terre- et pas de sièges pour les femmes * Je n'insiste pas, je crois que nous avons une preuve suffisante.

LE COMMISSAIRE: Nous avons entendu beaucoup de témoins là-dessus. A moins qu'vous ayez quelque chose de particulier à prouver.

LE TEMOIN: C'est assez général, cela.

Me BEAUCHAMP: C'est à votre connaissance ? Oui.

LE COMMISSAIRE: C'est à votre connaissance où ?

R Cela existe chez moi.

D Où ? R: A dechelage.

Me BEAUCHAMP: A la Dominion Textile ? R: Oui.

D LE COMMISSAIRE: Puisque cela existe chez vous, pouvez-vous donner des détails?

Me BEAUCHAMP: Vous travaillez au moulin, à la filature, comme comme filature d'Hochelaga, à la Dominion Textile ? R: Oui.

D Dites-vous qu'il n'y a pas là de vestiaire pour y déposer les habits des ouvriers et ouvrières ?

R Je dois faire remarquer ici que depuis que notre rapport est fait, je ne sais pas si c'est un mois ou deux mois, on nous a fait quelques accrochoirs.

D Sous quelle forme ? R: On a mis des crochets

aux murs. Des palettes avec un crochet pour aller accrocher cela assez haut pour que personne n'y touche. Je ne sais pas pourquoi.

D Est-ce qui n'est sur le mur extérieur ou sur le mur intérieur ? R: Sur le mur extérieur.

Le DOYEN: Dans quel sens ? Est-c'est à l'intérieur du mur.

Le DOCTEUR: C'est à l'intérieur du mur de dehors ? R. Oui.

D C'est évidemment à l'intérieur de l'usine, mais appuyé au mur extérieur ? R: Oui.

Le COMMISSAIRE: Au mur de la salle où vous travaillez ? R: Oui, sur le département où on travaille.

D Ce cuivre en sur-là est-ce exposé au fluide ?

R Non, c'est du bon sens.

D Le température est toujours ? R: Oui.

Me BEAUDOUIN: Vous parlez des ventilateurs, il y a un commencement d'amélioration ? Ce n'est pas précisément un ventilateur, mais c'est un moyen pour diminuer les vêtements ? R: Oui.

D "Il n'y a pas d'endroit pour changer de vêtements". Est-ce qu'il n'y en a pas, réellement ?

R Non, pas encore.

D Est-ce qu'il y a beaucoup d'ouvriers qui changent de vêtements ? R: Plusieurs. Presque tous les employés de bureau doivent changer de vêtements; les employés de "building", les "card room".

D Ils ne peuvent pas travailler en haut de rue ?

R: Non, il faut qu'ils prennent des calorifères.

D: Pour chauffer d'hiver il n'y a pas d'autre produit ?

R: Non.

LE COMMISSAIRE: Est-ce qu'il y a d'autres choses qui laissent à désirer chez vous ?

Me MACDONALD: Et pour le dîner ? R: On a un petit "coqueron" où il y a deux tables.

D: Une petite pièce ? R: Dans une petite pièce deux fois grande comme le pupitre ici. Il y a deux tables là-dedans. Ce n'est pas nettoyé bien bien souvent, personne ne va manger là. Une petite minorité, une dizaine seulement. On peut prendre dans ma filature au-dessus de deux cents qui apportent leur dîner à la manufacture. Dans quelque chose un petit "coqueron" comme cela, c'est pas mal difficile de manger.

D: Où les autres mangent-ils ? R: Sur place, assis à terre ou dans quelque coin.

D: Il n'y a pas de siège pour personne ?

R: Non.

D: Ni hommes ni femmes, aucun ? R: Non.

D: "Les prescriptions hygiéniques légales ne sont pas mieux observées. Dans plusieurs départements la chaleur est excessive, l'aération est insuffisante ou même nulle - il est strictement interdit, sous peine de renvoi, depuis deux ans, d'ouvrir aucune fenêtre dans certaines filatures - l'aspiration de la poussière est insuffisante ou nulle, la propreté des lieux d'aisance est inexistante." Il y a bien des choses dans ce paragraphe-là ? R: Oui.

D L'abord, la chaleur. Vous savez qu'il faut qu'il y ait un degré de chaleur assez prononcé pour le travail de la laine et du coton ? R: Oui.

D Voulez-vous dire qu'elle dépasse ce qui est ordinairement requis pour le travail ? R: Assez souvent.

D C'est ce que veut dire le mot "excessif" ?

R Oui.

LE COMMISSAIRE: Où ? R: A Montréal, à Hochelaga, toujours, à ma connaissance personnelle. Elle existe ailleurs aussi, mais je ne puis pas mentionner les places, je ne les ai pas.

D Me BEAUCHAMP: "L'aération est insuffisante ou même nulle - il est strictement interdit, sous peine de renvoi, depuis deux (2) ans d'ouvrir aucune fenêtre dans certaines filatures...." ? R: Oui.

D Comment se fait le renouvellement de l'air à Hochelaga, est-ce qu'il n'y a pas un appareil ventilateur ? R: Non, un appareil de chaleur, c'est tout.

D Il n'y a pas une tuyauterie pour changer l'air toutes les vingt minutes ou toutes les demi-heures ?

R Non, il n'y a qu'un système qui nous envoie la chaleur par l'air.

D Par l'air chaud ? R: Oui.

LE COMMISSAIRE: Pour le coton ? R: C'est pour réchauffer cela, c'est le système de chauffage.

Me BEAUCHAMP: Le système se fait par le moyen d'air chaud ? R: Oui.

D Mais il ne renouvelle pas l'air ? R: Non, du tout.

D Alors, l'aération de l'usine à Hochelaga, vous

dit-s qu'elle est insuffisante parce qu'il n'y a pas de renouvellement d'air et que la chaleur qu'il faut pour le travail est fournie par le tuyau d'air chaud ? R: Oui.

Q: "Il est strictement interdit, sous peine de renvoi, depuis deux (?) ans, d'ouvrir aucune fenêtre dans certaines filatures ", à quelles filatures faites-vous allusion? R: à Hochelaga, toujours. Et, d'après l'enquête, à Saint-Henri, à la Côte-Saint-Paul.

Q: A le Dominion Textile ? R: Oui.

Q: Vous dites que c'est sous peine de renvoi, pouvez-vous préciser cela ? R: Oui. Si un ouvrier ouvre la fenêtre, il a l'ordre au second "boss" que s'il est pris à ouvrir une fenêtre, il est renvoyé, congédié, l'été. L'hiver il n'a pas besoin de demander pour les ouvrir parce que l'on gèle quand on les ouvre. L'été on est obligée de travailler les chassis fermés.

Q: Ce sont de grandes fenêtres ? R: La grandeur de celles-ci (Chambre 20 du palais de justice)

Q: Beaucoup plus hautes qu'un homme ? R: Oui.

Q: Je comprends qu'il y a un inconvénient à ouvrir les fenêtres où l'on travaille le coton, surtout dans le département du tissage, parce que la matière peut être transportée par un courant d'air et être projetée sur un métier en opération ?

R: Non, parce que les chassis sont arrangés de manière à pouvoir être ouverts du haut au moins un pied, peut-être. Ils sont barrés, on ne peut pas les ouvrir

du bas.

Q. Vous ne pouvez pas les ouvrir du haut ? R: Non. On peut les laisser du haut d'un pied.

Q. C'est tout ce qu'il y a moyen de faire ? R. Oui.

Q. Si c'est défendu de le faire ? R: Oui, c'est défendu de le faire.

Q. "L'aération de la pouponière est insuffisante ou nulle", vu qu'il n'y a pas d'aspirateur ?

R. Absolument pas.

Q. Comment se fait l'enlèvement de la poussière ?

R. Elle tombe sur nous autres et sur les meubles. On nettoie les meubles, elle tombe sur nous autres. C'est de même que la poussière se "trouble" de six heures du matin à six heures du soir.

Q. C'est toujours de la même manière ? R: Oui. Lorsque l'on prend des assurances ils nous demandent toujours où on travaille. Quand on dit qu'on travaille à la Dominion Textile ils sont très sévères. Je ne sais pas pourquoi. C'est dangereux pour la compagnie, je crois. Ça m'a pas eu, j'ai voulu prendre des assurances, j'ai eu de la difficulté parce que je travaillais à la Dominion Textile dans le coton, par rapport à la poussière.

Q. "Pour citer "la propreté des lieux d'aisances est inexistante". Il y a des cabinets d'aisance en nombre suffisant, je pense ? R: Oui.

Q. Dans chaque département ? R: Oui, dans chaque département.

Q. C'est de la malpropreté dont vous vous plaignez, vous voulez dire que cela manque d'entretien ?

R: Personnellement je ne sais pas ce contrat d'entretien filature, mais je puis dire qu'à bouchelage de temps en temps il arrive qu'il y a des "toilettes" qui ne sont pas abordables.

D: Avez-vous connaissance si des employés de la filature sont chargés particulièrement d'entretenir les chambres de toilette ? R: Oui.

D: Les bols d'aisance ? R: Oui, il y en a un.

D: Savez-vous si ce ménage se fait souvent ? R: Il est censé être fait tous les jours.

D: Est-ce que l'on dépose en même temps des désinfectants ou est-ce qu'on lave avec des désinfectants ?

R: De temps à autre, mais pas tous les jours.

D: Malgré ce que vous dites pour le nettoyage ou le désinfectant, vous dites que la propreté est encore nulle ? R: Oui.

D: Me MONTGRAIN: Il n'a pas dit cela, il a dit de temps en temps.

LA COMMISSION: Il y a certaines "toilettes" qui sont bien bien propres, il y a d'autres "toilettes" ce n'est pas allable.

Me MONTGRAIN: Dans ces conditions-là, cela ne dépendrait pas que les hommes y mettent de la mauvaise volonté ou non, de salir les ouvriers ordinaires ?

R: Peut-être, oui.

D: Au lieu de mettre de la bonne volonté ils mettent de la mauvaise volonté ? R: Peut-être oui. Mais quand on va dans des lieux aussi dégoutants que cela c'est pas mal difficile d'y mettre de la propreté.

Q "Il est une filature de soie naturelle dans laquelle, l'hiver, les ouvriers souffrent de froid." Laquelle est-ce ? R: Je crois que c'est à Drummondville.

Q Quelle compagnie est-ce donc, cela, est-ce la Dominion Textile ? R: Non, je crois pas. Je crois erreur, c'est Granby. Je ne sais pas le nom de la compagnie.

Q "Dans la même filature, dans le département de la teinturerie, à certains jours, les ouvriers doivent travailler huit heures et demie d'affilée, sans pouvoir prendre de repas". C'est-à-dire qu'ils n'ont pas le temps de manger ? R: Oui.

Q Pouvez-vous dire s'ils mangent en travaillant, à la course, ou pas du tout ? R: Ils doivent manger en travaillant.

Q Vous ne le savez pas, vous ne pouvez pas le dire ?

R Je ne le sais pas, ce n'est pas de Montréal.

Le document continue:" Les griefs exposés dans le présent mémoire sont le résultat d'une enquête faite par les Syndicats affiliés à la Fédération Catholique Nationale du Textile et exerçant leurs activités dans les centres suivants: Montréal, Valleyfield, Cowansville, Sayabec, Saint-Hyacinthe, Farnham, Granby, Drummondville et Saint-Grégoire de Montmorency". Savez-vous pourquoi que nous avons là l'énumération des différents centres où se trouvent des syndicats de la Fédération Catholique Nationale du Textile ? R: Oui.

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D Est-ce que cette liste-là est complète, je veux dire comme endroits où vous avez des Syndicats ?

LE TIRGIN: Vous voulez dire s'il n'y a pas d'autres choses que cela qui existent ?

Me BEAUDOUARD: Non, je veux dire si vous avez des syndicats à d'autres endroits qu'à ces différents endroits ? R: Non.

D Alors, la liste des centres dont vous avez les plaintes est la liste de tous les centres où vous avez des syndicats ? R: Oui.

D Et vous n'avez pas de syndicats ailleurs que dans ces centres-là ? R: NON.

LE COMMISSAIRE: Montréal comprend Rochelaga.

Me BEAUDOUARD: Oui, c'est le nom du quartier Rochelaga.

LE TIRGIN: C'est le nom d'une filature.

Me BEAUDOUARD: La filature dans l'est de la ville de Montréal est située dans l'ancien quartier Rochelaga ? R: Oui. Au plus de la Côte-Saint-Paul et de Saint-Henri.

D "Pour remédier à ces nombreux griefs dont souffrent ouvriers et ouvrières de l'industrie textile dans la province de Québec, la Fédération catholique nationale du textile prie la Commission d'enquête royale de demander au Gouvernement de Québec ou au Gouvernement fédéral, dans les cas où celui-ci est intéressé, de prendre les mesures nécessaires ? faire observer rigoureusement la loi des établissements industriels, ou à décréter d'autres mesures:

"1.- A l'effet de faire cesser le fonctionnement des métiers et autres machines similaires en dehors des heures de travail règlementaires, abus qui est une source de surmenage et de dommage matériel grave aux ouvriers et aux ouvrières". Nous avons parlé de surmenage tantôt.

Me GAUDEAU: C'est une répétition.

Me BARBEAU: "2.- A l'effet de limiter le nombre de métiers et autres machines par tisserand et tisserande et autres ouvriers, de même que pour limiter l'augmentation de la vitesse des machines, autres sources de surmenage et d'exploitation éhontée;

3.- A l'effet de déterminer et décréter le travail qui ne convient pas aux ouvriers féminins, et d'abolir les permis d'heures supplémentaires pour les ouvriers féminins;

4.- Pour mettre fin aux diverses pratiques vexatoires, frauduleuses et autres, tendant à avilir les salaires;

5.- Pour empêcher certains officiers des compagnies de commettre des actes de favoritisme non justifiés, soit contre le respect du droit d'ancienneté, soit quant aux promotions, à l'amélioration des salaires et quant à la distribution des nouveaux emplois;

6.- A l'effet d'assurer le respect absolu de la loi du salaire minimum des femmes;

7.- Pour étendre l'application de cette loi aux hommes faisant le même travail que les femmes."

LE CHAIRMAN: Il me semble que c'est déjà

dans la loi, cela.

Me MACDONALD: Quant aux hommes.

LE COMMISSAIRE: N'est-ce pas ?

Me MACDONALD: Oui, c'est dans la loi. C'est fait régulièrement.

"Pour assurer le respect intégral de la loi de l'observance du dimanche;

" 9.- Pour assurer le respect rigoureux des règlements de la loi des établissements industriels relativement au bien-être des employés et aux conditions hygiéniques.

La Fédération Catholique Nationale du Textile constate que les méthodes de rationalisation du travail dans les diverses branches de l'industrie du textile sont hautement inhumaines, parce que ces méthodes ont pour derniers résultats l'accroissement continuel de la production avec une main d'oeuvre de plus en plus diminuée et de moins en moins rémunérée, et la réduction au chômage permanent de centaines d'ouvriers, sans compter ceux non moins nombreux, employés deux ou trois jours par semaine seulement.

En conséquence, la Fédération Catholique Nationale du Textile exprime le voeu,

"Premièrement: qu'un relèvement général des salaires sera effectué dans cette industrie tout particulièrement parmi certaines catégories d'ouvriers plus exploités;" pouvez-vous dire quelles sont ces catégories que vous visez là ? R: Premièrement, qu'il y aurait un relèvement général des salaires à certaines catégories d'ouvriers qui font différentes opérations et qui

seraient encore dans une meilleure situation, qui ne gagneraient pas encore assez cher.

LE COMMISSAIRE: De quelles opérations parlez-vous ? R: Les remasseurs de bobines, les balayeurs, les enfileurs de batteries, les "alesmers". C'est à peu près ce que je veux mentionner spécialement.

Me EDWINSCARD: "Deuxièmement: que l'organisation du travail dans les textiles soit, si possible, contrôlée de façon à mettre fin au surmenage de la main d'oeuvre et à en réserver au moins une partie notable.

Nous croyons que ces améliorations peuvent être rendues possible si les exploitations des textiles se contentaient de profits raisonnables et si elles n'étaient, comme en certains cas, surcapitalisées à l'extrême.

Nous estimons que si, pour ce faire, elles ont besoin toutefois de protection tarifaire, le gouvernement fédéral ne devrait pas leur accorder cet avantage sans exiger d'elles de relever en retour la situation économique et sociale de leurs employés.

Nous croyons enfin que le gouvernement devrait faire une obligation aux firmes des textiles de chercher à effectuer ce résultat en négociant une convention collective avec l'association professionnelle de leurs employés, en autant que ceux-ci en ont une, comme et responsable aux lois du pays." Je comprends par M.Carpentier que cette partie-ci a été amendée, n'est-ce pas ? R: Oui.

D Ce dernier paragraphe a été amendé ? R: Oui.

D Au dernier congrès de la Fédération du Textile.

LE COMMISSAIRE: Je n'ai pas l'amendement ici, comment doit-on le lire ? R: Au lieu de dire "avec l'association professionnelle de leurs employés", on il faut dire " avec la Fédération catholique nationale du textile."

Me MEAGHER-MOU: Cela devrait se lire " Nous croyons enfin que le gouvernement devrait faire une obligation aux firmes des textiles de chercher à effectuer ce résultat en négociant une convention collective avec la Fédération catholique nationale du textile " ? R: Au lieu de " l'association professionnelle de leurs employés."

D "Le tout très humblement soumis avec grande confiance par:

LA FEDERATION CATHOLIQUE NATIONALE DU TEXTILE

Albert Côté
Président

Frédéric L'Heureux, secrétaire

AVEC L'APPUI DE: LA CONFEDERATION DES TRAVAILLEURS CATHOLIQUES DU CANADA INC.

Alfred Charpentier
Président "

Je suppose que ce document-là contient les griefs et contient en même temps les vues complètes que vous avez à communiquer au Tribunal ? R: Oui.

CONTRE-INTERROGE PAR Me GEOFFRION:

Q Vous êtes "arrangeurs de métiers", arrangeurs de métiers, n'est-ce pas ? R: Oui.

R "Loom fixer". En français, arrangeur de métiers.

D En quoi consiste l'ouvrage ? R: Si un métier se brise c'est notre ouvrage de le réparer.

D Se réparer la machine ?

R Si un morceau se casse on le change, si un morceau de bois se casse on le change. On ajuste la machine pour qu'elle fonctionne.

D C'est pour réparer les métiers quand ils se cassent ou fonctionnent mal ? R: Oui.

D Vous êtes là-dedans depuis quatorze ans, vous dites ? R: Oui.

D Vous nous dites, d'après le rapport, qu'il y a deux espèces d'arrangeurs de métiers, ceux pour la besogne de fantaisie et ceux pour la besogne ordinaire ? R: Oui.

D Êtes-vous dans la fantaisie ou dans l'ordinaire R La fantaisie.

D Vos quatorze ans comprennent votre apprentissage ? R Pas seulement pour arranger les métiers.

D Vous dites qu'il faut six ans d'apprentissage pour la fantaisie ? R: Oui.

D Vos quatorze ans comme arrangeur de métiers comprennent les six ans d'apprentissage ? R: Oui.

D Vous avez vingt-huit (28) ans et vous avez commencé à quatorze ans comme apprenti ? R: Pas comme apprenti pour arranger les métiers. Je n'ai pas commencé à arranger les métiers en entrant, j'ai commencé par ramasser les bobines, les bailleiles, "weaver" et arrangeurs de métiers.

D Depuis quand avez-vous commencé votre apprentissage, alors ? R: Ça fait cinq ans après que j'ai entré là.

D C'est-à-dire neuf ans ? R: Oui.

D Par conséquent, cinq ans pour les techniques comme remmeneur de bobines, etc., et ensuite six ans d'apprentissage comme arrangeur de fontaine et trois ans de pratique ? R: Oui.

D C'est la seule besogne que vous faites là, vous faites rien que cela ? R: Oui.

D Tout votre temps est pris par cela ?

R Tout mon temps est pris par cela, oui.

D Vous travaillez où ? R: A Rochelaye.

D Vous quel département êtes-vous ? R: Le No 5, qu'on appelle.

D Qu'est-ce que c'est le numéro 5 ? R: 5 " upper, le département des serviettes de bain, des serviettes unies.

D Vous êtes arrangeur de métiers pour le département numéro 5 ? R: Oui.

D Vous êtes encore là aujourd'hui ? R: Oui.

D Vous êtes président de l'Association ?

R Après le dernièrement de la résolution, oui.

D Depuis quand ? R: Depuis le mois de juin dernier.

D Parce que cela vient d'être organisé ? R: Oui.

D C'a été organisé cet été et vous avez été élu premier président: R: Oui.

D Qui a rédigé ce rapport-là ? R: C'est M. Dupontier et moi.

D Vous vous êtes appuyés en grande partie sur des

plaintes, des rapports que vous avez reçus ?

R Dans certains centres, oui, où je n'ai pas eu l'occasion d'aller moi-même, de travailler. A part ceux que je travaillais moi-même, dont j'étais parfaitement au courant moi-même, je les ai utilisés.

D Prenons-les un par un pour savoir quels sont ceux que vous connaissez. Je veux avoir les noms des gens qui se plaignent. Prenons d'abord ceci:" Ces ouvriers ne sont payés que pour des "cuts" de quarante verges, alors que ces "cuts" mesurent quarante et une à quarante-cinq verges". Comment savez-vous cela ? On vous l'a dit, vous le savez parce qu'on vous l'a dit? R: Oui.

D Vous savez cela parce que des ouvriers vous l'ont dit ? R. Je suis au courant aussi.

D Comment l'êtes-vous autrement que comme cela ?

R Parce que j'ai eu l'occasion de le savoir moi-même.

D De le savoir comment, par qui, de qui ?

R C'est pas aussi difficile de le dire.

D Si vous voulez que l'on vous réponde il faut que l'on ait des noms et des dates. J'ai besoin de noms et de dates dans chaque cas. Donnez-moi donc ce que vous savez personnellement, si vous savez quelque chose. Vous jurez que des ouvriers ont été payés pour des "cuts" de quarante verges alors que ces "cuts" mesureient de quarante et une à quarante-cinq verges ; comment savez-vous cela ? R: Oui, et un autre est capable de s'apercevoir de cela n'importe quand. J'ai

dit que le "out" était...

D : Je veux savoir si ç'a été fait ou non. Comment le savez-vous ? R: Je sais bien que quand on mesure le coton qu'il y a une contraction de neuf à huit verges et qu'on pèse lorsqu'on l'inspecte.

D : Comment le savez-vous ?

R : J'ai déjà été "weaver".

D : Quand vous étiez "weaver" ? R: Oui.

D : Quand vous avez été "weaver" vous avez été payé comme cela ? R: On me payait à la pièce, moi.

D : Comment le savez-vous, alors ? R: Je vous dis que n'importe qui peut le savoir.

D : Je veux savoir comment. Comment n'importe qui peut-il le savoir, alors ? R: Je peux vous amener des "weavers" dans n'importe quel temps.

D : Amenez-en seulement un qu'un et je serai content d'avoir quelqu'un qui sait quelque chose ?

R : Voulez-vous le mettre dehors ? R: Non. On a tous les paragraphes de votre rapport, on va les passer un par un. R: Je ne nommerai personne.

D : Êtes-vous capable de donner des noms de personnes qui peuvent témoigner qu'ils ont été payés pour quarante et une ou quarante-cinq verges ?

Me BEAUREGARD: Vous ne va les nommer personne !

R : Non. Ils veulent qu'on nomme quelqu'un pour lui faire du trouble. Le rapport qu'on fait là actuellement n'est pas venu savoir l'enquête encore; pourquoi n'est-il pas venu encore ? Il faut se demander le pourquoi. C'est parce que ces gens-là valent

trop pour à leur "job". Il avait à peur de venir devant le tribunal de Mrs comment ils étaient maltraités.

Me [illegible]: Je vous dirai que l'enquête procède depuis six mois, que plusieurs ouvriers sont venus se plaindre et qu'il n'y a en a pas un seul de renvoyé encore. Alors, vous refusez de donner des noms, vous refusez complètement ? R: Oui.

D Alors, pour le numéro 1, vous, personnellement, vous n'avez jamais été payé pour quarante verges quand vous aviez fait de quarante et une à quarante-cinq verges, vous, personnellement, jamais ?

R Non.

D Vous refusez de me donner les noms de ceux qui ont été payés comme cela ? R: Absolument.

D Êtes-vous capable d'en donner ? R: Je serais capable.

D Mais vous ne voulez pas ? R: Oui.

Le [illegible]: En ce qui regarde ceci, comment voulez-vous que l'on sache où cela se fait, vous n'avez pas nommé de filature ? R: J'ai nommé [illegible] lorsqu'on a commencé.

Me [illegible]: Voici ce que nous pourrions peut-être faire. Je comprends qu'il est peut-être difficile pour le témoin actuellement de décider par lui-même de donner des noms, il me serait être sous l'impression que les noms des personnes qu'il va nommer vont servir à la compagnie pour renvoyer peut-être ces personnes-là et il est peut-être difficile que le témoin change d'idée séance tenante. Je crois que

nous pourrions peut-être continuer utilement le témoignage de ce témoin en disant, comme nous savons qui vient de le faire, certains des noms qu'il est capable d'en donner" ?

Me GEOFFRION: Secons à quels endroits il est prétendu capable d'en donner et après son témoignage, après même l'ajournement à Montréal, son on veut, le témoin pourra probablement, s'il le juge à propos, donner les noms, de façon que nous puissions faire entendre les personnes, si ces personnes-là désirent de se faire entendre devant la Commission. Le témoin va facilement comprendre que la Commission ne peut pas décider de la vérité des faits simplement sur l'affirmation d'une personne qui ne les connaît pas de première main et sur l'affirmation de faits contenus dans des plaintes qui lui ont été soumises.

LE COMMISSAIRE: Voici ce qu'il me semble, d'après la façon dont on a formulé les griefs: Si un ouvrier est payé comme cela tous les ouvriers sont payés comme cela. Le témoin nous dit que lorsque le coton est en chaîne il s'est étendu, le rouleau est sur le lous...

Me BEAUDOUIN: Sur ce premier grief on n'a pas besoin de témoins.

LE COMMISSAIRE: Il dit que lorsqu'on l'enlève pour l'inspection il y a une contraction, de sorte que le rouleau diminue de longueur, de quarante et une à quarante-cinq verges il vient à

quarante versus. Il s'agit de savoir quel est le système de paye, on n'a pas besoin de noms spécialement pour cette question-là. Cela s'applique à tous les ouvriers.

Me GROUTHION: J'admets que la première question est une questionqui peut se régler indépendamment des noms, c'est une question de système.

LE COMMISSAIRE: Vous dites que c'est à Magog ?

R Oui.

D On peut vérifier .

Me GROUTHION: Bien, il ne dit qu'il ne me donnera aucun nom. Je parle pour les autres cas. La Cour constatera que c'est un cas exceptionnel car pour diverses cas sont des accusations bien précifiques. De même que le numéro 2, c'est encore un cas de système, mais je veux savoir la connaissance personnelle du témoin.

LE TEMOIN: Je pourrai fournir les noms des employés qui sont victimes de cela.

LE COMMISSAIRE: Vous parlez du numéro 2 ?

R Oui, les tisserands qui ne sont pas payés pour les échantillons. C'est général.

Me GROUTHION: Le [illegible] seulement si c'est par le rapport ? R: Oui, j'ai vu cela devant mes yeux.

D Où l'avez-vous vu ? R: Le tisserand fait un échantillon à part de son ouvrage.

D Vous ne savez pas s'il est payé ou non ?

R Il me semble,quand on voit cela devant nos yeux,

ça doit être vrai.

LE COMMISSAIRE: Où avez-vous cela, dans quelle filature ? R: À Hochelaga.

Me GROFFTON: Vous avez vu à Hochelaga que l'on faisait faire les échantillons par les tisserands, mais savez-vous si on payait pour ces échantillons ou non? R: Vous ne le payez pas parce que l'échantillon ne passe pas la "weaver room".

D Etaient-ils payés à l'heure ou à la production?

R A la pièce.

D Paragraphe 3:"Les tisserands perdent du temps, etc." Page première.Où avez-vous trouvé cela, est-ce une plainte que vous avez reçue ?

R Magog, Granby.

D Ce sont des plaintes que vous avez reçues ?

R Oui.

D Paragraphe 4, page 2, sous-paragraphe 1a, est-ce encore des constatations personnelles ou est-ce des rumeurs, des plaintes ? Je veux simplement si ce sont des constatations personnelles ou des plaintes ?

R Personnelles ?

L'AVOCAT: Oui ? R: Oui.

D Vous avez deux paragraphes, a et b; dans le paragraphe a on prend le rendement de vingt-quatre heures et on divise également entre l'ouvrier de jour et de nuit ? R: Oui.

D Où cela se fait-il ? R: A Hochelaga.

D Vous n'êtes pas là-dedans ? R: J'ai déjà été là.

D Il y a combien de temps de cela ? - Quinze ans ?

R Non, pas quinze ans.

D Cinq ou six ans ? R: On peut dire que j'ai été neuf ans.

D Revenons à neuf ans. Depuis neuf ans ce sont simplement des plaint s que vous avez reçues ?

R Non, je suis au courant moi-même de la manière que la paye est déterminée, parce que j'ai été assistant-contremaître.

D Quand cela ? R: Ce fait six ans que j'ai été assistant contremaître.

D Quand vous étiez apprenti ? R: Oui. Pendant une période j'ai été assistant-contremaître.

D Pendant que vous étiez apprenti ? R: O

D L'autre système, b: "Les tisserands de nuit sont payés à l'heure et les tisserands de jour ont la balance". Où cela se fait-il ? R: Ce se fait à Mochelaga, cela.

D Vous dite s:" Dans d'autres filatures " ?

R Je ne parle pas dans d'autres filatures, vous me demandez à ma connaissance personnelle.

D Vous dites que dans certaines filatures ils divisent par la moitié et que dans d'autres filatures ils enlèvent le paiement à l'heure du tisserand de nuit et donnent ce qui reste de la production aux tisserands de jour; dans laquelle des deux classes est Mochelaga ? R: Les deux classes sont à Mochelaga, en certains départements.

D Dans quel département divise-t-on par la moitié ?

R Dans tous les départements de la "Weaver Room", excepté le département des serviettes, le numéro 5, où je travaille.

D Les autres départements, comment le savez-vous ?

R Parce que j'ai été assistant-contremaître.

D Est-ce que cela couvrait les autres départements aussi ? R: Oui.

D Tous les départements? R : Oui. Et j'ai eu connaissance de ce qui s'est passé.

D Vous étiez assistant-contremaître sur tous les départements ? R: Assistant du premier "boss".

D Pour tous les départements ? R: Oui.

D Cela tend à dire que dans tous les départements, excepté le département des serviettes, on divise le travail des vingt-quatre heures par la moitié ? R: Oui.

D Dans quel département est-ce que l'on paie le travailleur de nuit et que l'on déduit de la production ce qu'il a et que le reste va à l'autre ?

R Le département des serviettes.

D Quel est le système que vous voudriez établir, vous? Un des deux est trop payant ? R: Oui.

D Lequel est trop payant ? R: On ne spécifie pas qu'il y en a un qui est trop payant pour l'autre, on dit qu'il n'est pas payé selon ce qu'il gagne. Des fois c'est le "weaver" de jour et des fois de nuit. Il y en a un des deux qui en reçoit trop.

LE COMMISSAIRE: Est-ce que tous les deux sont payés à l'heure ? Autrement je ne comprends pas comment on divise cela ? R: Ils sont payés à la pièce.

Q Tous les deux ? R: Oui.

Me GEOFFRION: C'est le paragraphe a, cela ?

LE COMMISSAIRE: Les tisserands de nuit sont payés à l'heure.

Me GEOFFRION: Dans le paragraphe b.

LE COMMISSAIRE: Ils sont payés à l'heure ?

LE TÉMOIN: Oui.

Q Comment le tisserand de jour est-il payé, là ?

R On lui donne ce qui reste.

Q Quel est le système ? R: Il est censé être payé à la pièce.

Q Voici un cas bien spécial, M.Geoffrion. Il dit que le tisserand de jour est censé être payé à la pièce et qu'au lieu de lui donner ce qu'il a gagné à la pièce on lui donne ce qui reste, après avoir payé le tisserand de nuit. Si s'est établi ce serait une injustice.

Me GEOFFRION: Le paragraphe a le divise par la moitié.

LE COMMISSAIRE: Je parle de b.

Me GEOFFRION: C'est évident. Il dit:"Vous prenez la production totale, vous payez le tisserand de nuit et vous donnez la balance à celui de jour ?

LE COMMISSAIRE: Qui est censé être payé à la pièce .

LE TÉMOIN: Oui.

Me GEOFFRION: Vous dites que c'est le système encore aujourd'hui ? R: Apparemment.

Q Dans le département des serviettes, à Cornwall ?

R Oui.

Q Paragraphe 2, toujours à la page 7. Ici, ce n'est pas un système régulier il va falloir donner les noms des gens dont on a baissé le travail à la pièce pour qu'ils ne gagnent pas plus les semaines suivantes que la semaine précédente ?

R C'est général.

Q Êtes-vous capable de donner un nom ? Donnez-le à M.Beauregard, si vous avez peur de le donner à moi. Cela ne vous est pas arrivé à vous ?

Me [illegible]: Je comprends que c'est plutôt un système.

Le Commissaire: Il me semble que oui. Il me semble qu'on a dit que lorsqu'un système dépasse une certaine production on réduit le tarif. C'est ce que vous voulez dire ? R: Oui.

Q On fait l'essai d'une certaine base et ensuite on peut diminuer cette base-là ? R: C'est absolument cela.

Q Du moment que vous donnez la filature et le département... R: Il y a toujours moyen de trouver cela, s'ils le veulent.

Me [illegible]: Où ? R: A Rochelage.

Q Dans quel département? R: Dans le "weaver room".

Q Un tisserand qui se plaint de ne plus recevoir son salaire en arrière, cela n'arrive pas tous les jours, vous devez avoir des noms, voulez-vous donner des noms à M.Beauregard ? R: Je lui en donnerai.

Q Quant aux arrangeurs de métiers, au bas de la

page 3, chez vous, à Hochelaga, vous êtes arrangeur de métiers pour travaux de fantaisie ? R: Oui.

D Etes-vous payé le même prix ou plus cher que les autres arrangeurs ? R: Oui.

D Plus cher ou le même prix ? R: Plus cher.

R De combien ? R: Une cent et une fraction, un dixième, je crois.

D De l'heure ? R: Oui.

Me BEAUREGARD: Vous êtes dans la classe b ?

R Oui.

Me GEOFFRION: C'est comme cela à Hochelaga ?

R Oui.

D Les autres ce sont des rapports que vous avez eus ? R : Oui.

D Prenons maintenant la page 4, au paragraphe premier. Pouvez-vous me donner des noms d'ouvriers travaillant à l'heure qui ont été renvoyés avant la fermeture de l'usine et de qui les salaires ont été retranchés ?

LE COMMISSAIRE: Est-ce à la page 4 ?

Me BEAUREGARD: Page 4, numéro 1.

Me GEOFFRION: Où voulez-vous dire simplement que lorsqu'il n'y a plus d'ouvrage à faire ils disent aux employés payés à l'heure de s'en aller et ils ne les paient pas après cela ? R: J'ai expliqué cet avant-midi comment cela se faisait: c'est qu'on les puissait le plus vite possible à faire leur ouvrage pour pouvoir les envoyer plus vite. On ne les laisse pas finir leur journée, on les envoie.

D Quand il n'y a plus d'ouvrage ? R: Oui.

LE COMMISSAIRE: Pour avoir moins d'heures à payer ? R: Oui.

Me GEOFFRION: Vous n'êtes pas capable de donner de noms à qui c'est arrivé ? R: Je pourrais en donner, oui, à M. Beauregard.

D Paragraphe 2: Les poseurs de "warps", les huileurs, les nettoyeurs, les enleveurs de coton, les "bobbins-boys", les "filling boys", etc." c'est encore une chose générale, ceci ?

LE COMMISSAIRE: Ça se passe où, cela ?

R Cela se fait ainsi, dans tous les cas.

LE COMMISSAIRE: Chez vous, à Rochelaga ? R: Oui.

D Paragraphe 1, à Rochelaga, aussi ?

R Oui.

D Paragraphe 3, est-ce encore à Rochelaga, cela, est-ce une pratique générale ? R: Cela se fait à Rochelaga, à Saint-Henri, à la Côte-Saint-Paul.

D Est-ce général pour tout le monde ? R: Oui.

D Paragraphe 4, est-ce encore général ? R: Ça se fait aussi à Rochelaga.

D Maintenant, ici, page 5, j'aimerais que vous donniez à M.Beauregard des noms de gens qui se plaignent qu'on les surcharge et que lorsqu'ils ne gagnent plus leur salaire minimum on les renvoie ?

R J'en aurai, j'en donnerai, oui.

D De même, paragraphe 2, des gens qui ont soingonné une demi-heure avant la fin de la journée et qui ont continué à travailler quand même ?

R Ce n'est pas à Montréal, cela, c'est à Drummondville.

D Il faut s'adresser aux gens de Drummondville pour savoir cela ? R: Oui.

D Les apprentis, maintenant, ça n'est pas à Montréal non plus ? R: Non.

D Quand ce n'est pas à Montréal vous n'en connaissez rien personnellement ? R: Non.

Me BEAUREGARD: Pouvez-vous donner des noms pour Sherbrooke, pour l'affaire des apprentis ?

R Je suis positif, le rapport est assez exact pour cela.

Me GEOFFRION: Maintenant, la question du bonus. C'est à Drummondville, cela ?

LE COMMISSAIRE: A propos des apprentis...

Me GEOFFRION: Il dit que ce n'est pas à Montréal, par conséquent, lui, personnellement, n'en sait rien, mais il pourra obtenir des noms.

LE COMMISSAIRE: Vous avez nommé Sherbrooke tout à l'heure ? R: Oui.

D Vous pouvez fournir des noms ?

LE TEMOIN : De Sherbrooke ?

L'AVOCAT: Oui. R: Je pense que oui.

D Parce que c'est vraiment un cas très grave .

R On peut avoir cela des Syndicats. Je crois que c'est dans la "spinning room", si je ne me trompe pas.

Me GEOFFRION: Prenez la page 6, paragraphe 1, à propos des bonus. C'est à Drummondville, encore, cela ?R : Oui.

D Maintenant, paragraphe 2. Quant à cette accusation-là, c'est à Hochelaga ? R: Oui.

D C'est général aussi, cela ? R: Dans la "Weaver Room".

D Tout le paragraphe 2 dit que cela s'applique à Montréal, dans la "weaver room"., Lisez-le afin que l'on s'entende bien.

R Non, pas tout à Montréal. "Il y a des métiers non automatiques avec une lumière rouge..." Je crois que c'est à Drummonville, cela.

D Le reste c'est à Montréal ? R: Oui.

D Quand vous dites Montréal, c'est Hochelaga ?

R Hochelaga, Saint-Henri.

D Le seul moulin que vous connaissez c'est Hochelaga ? R: Oui.

D Vous dites que c'est une pratique générale, celle-là, à Hochelaga ? R: Oui.

D Dans la "weaver room" ? R: Oui.

D Maintenant, paragraphe 3, c'est à Sherbrooke ?

R Oui. Je n'ai pas d'expérience personnelle.

D Maintenant, paragraphe 4:"Dans certaine filature..." où est-ce ? R: A Sherbrooke.

Cinquième paragraphe, à Drummonville ? R:Oui.

D Sixième paragraphe, à Drummonville aussi?R. Oui. Tout Drummonville, cette page-là.

Excepté les paragraphes 7 et 8 ? R: Oui.

D Pour sept est-ce Hochelaga aussi ? R: 8, Hochelaga, oui.

D Mais 7 d'abord. Etes-vous prêt à dire que c'est aussi à Montréal ? R: Je dis à Montréal.

D Vous avez dit Drummonville d'abord et vous avez ajouté Montréal ? R: C'est Drummonville cela, seulement.

D Le huitième paragraphe ? R: Cela existe à Montréal et à Drummonville aussi.

D Voulez-vous donner les noms de Montréal à M. Beauregard ? R: Absolument.

D Le paragraphe 9 ne me regarde pas. 9, c'est Rossell ? R: Oui.

D Dixième, Farnham et Granby et onzième, c'est Magog, par conséquent ce n'est pas à votre connaissance personnelle ? R: Non.

D Maintenant, vous dites : "Depuis l'enquête royale, certaines filatures ont encore ajouté à cet abus, en diminuant aussi les salaires." Est-ce un rapport exact ?

LE TRAIN: A quelle page ?

L'AVOCAT: Au bas de la page 6.

LE COMMISSAIRE: Quand vous dites " en diminuant les salaires",voulez-vous dire en diminuant le rendement ?

Me BEAUREGARD: A la première partie c'est Montréal, mais c'est général ? R: Oui.

LE COMMISSAIRE: Il dit que le nombre des machines a augmenté et qu'ils ont diminué les salaires ; voulez-vous dire le taux à la pièce ? R: Oui.

D Ou le gain de l'ouvrier ? R: Le taux à la pièce.

D Est-ce que comme résultat les salaires ont augmenté ou diminué ? R: Il reste toujours le même.

Me GOUFFRIN: Vous dites 'certaines filatures", lesquelles ? Vous dites: "Depuis l'enquête royale

certaines filatures ont encore ajouté à cet abus en diminuant aussi les salaires ".

LE COMMISSAIRE: J'ai demandé cette question-là parce que aux Etats-Unis quand on augmente le nombre des machines on réduit, il est vrai, le taux à la pièce, mais on dit qu'on augmente le paye; le témoin dit qu'ici le salaire restè pas près le même, il n'y a pas d'augmentation ? R: Oui.

Me GEOFFRION: A quelles filatures ? R: A Montréal.

D A Hochelaga: R: Oui.

D Depuis l'enquête royale ? R. Non.

D C'est général, dans toutes les filatures ? R.Oui.

D Cela comprend Hochelaga ? R: Oui.

D A la deuxième phrase, vous dites: "Depuis l'enquête royale, certaines filatures ont encore ajouté à cet abus, en diminuant aussi les salaires."

Me BEAUDOUIN: Autrement dit, certaines filatures ont augmenté le travail en diminuant le salaire ?

LE TEMOIN: C'est le cas de Sherbrooke.

Me GEOFFRION. Ce n'est pas Montréal ? R: Non.

LE COMMISSAIRE: Qu'est-ce que vous voulez dire quand vous dites l'enquête royale, depuis cette enquête-ci ? R: Oui, Montmorency aussi.

D Le COMMISSAIRE: Il y a cette autre plainte à propos d'une inspection de coton ;- je l'ai mentionnée ici parce qu'elle revient plus tard sous une autre forme ? R: Cela, c'est Drummondville.

D C'est Drummondville, cela ? R: Oui.

Me GEOFFRION: Il arrive souvent que les employés ont ordre de quitter l'atelier une demi-heure ou une heure avant l'heure de fermeture régulière, lorsque le maximum de production quotidienne est obtenue. Est-ce des rapports, cela ? R: C'est à Magog.

LE COMMISSAIRE: Quand on parle de Drummondville, par exemple, ce sont de vos clients, Me Lacoste.

Me LACOSTE: Ce sont mes clients, oui.

LE COMMISSAIRE: Parce que j'ai toujours compris qu'en ce qui regarde Me Geoffrion il ne représente que la Dominion Textile.

Me GEOFFRION: Oui. Quand le témoin me dit que ce n'est pas la Dominion Textile je passe à autre chose.

Vous dites au paragraphe au bas de la page 8: "Il arrive souvent que les employés ont ordre de quitter, etc.", vous avez dit que c'était à Drummondville ? R: Oui.

Me BEAUDOUIN: N'est-ce que vous n'avez pas dit à Magog ? Je viens de entendre Magog, là, moi ? R: Drummondville.

Me GEOFFRION: J'ai une note ici, page 8, au début, cela c'est une opinion, " on garde deux hommes quand il en faudrait quatre " et "dans certaines filatures (département de la "carde") les filles font un travail qui était autrefois fait par les hommes..." c'est à Sherbrooke, cela ? R: Oui. Toute cette page-là est à Sherbrooke.

Me BEAUREGARD: J'ai noté Sherbrooke et Montréal. "Les "roving men" doivent faire le nettoyage de leurs machines sur l'heure du midi." Est-ce que ceci s'appliquerait à Montréal aussi bien qu'à Sherbrooke ?

R Oui.

D C'est à Montréal et à Sherbrooke pour cette partie-là ? R: Oui.

Me GEOFFRION: C'est une ~~xxxxkx~~ pratique générale, n'est-ce pas ? R: C'est pour Montréal et Sherbrooke.

D Pour Montréal et Sherbrooke c'est une pratique générale ? R: Oui.

D A la page 10 je ne vois rien, pour moi, d'après mes notes, excepté que certains contremaîtres favorisent des jeunes filles ?

LE COMMISSAIRE: Il y a Sherbrooke et Magog.

Me GEOFFRION: "Souvent les vieux employés sont payés moins cher que les nouveaux, qui savent se "coller" au contremaître ". Il n'y a rien dans la page 10 contre moi. "HYGIENE". Votre classification de l'hygiène s'applique à Hochelaga, quant à vous ? R: Oui.

D Vous l'avez dit en détail ? R: Oui.

CONTRE-INTERROGATOIRE PAR Me LAMONT:

D Depuis combien de temps avez-vous préparé le rapport dont vous avez donné connaissance à la Cour ?

R Au mois d'août.

D Vous n'avez jamais travaillé ailleurs qu'à Hochelaga , qu'à la Dominion Textile ? R: Non.

D: Vous n'avez jamais fait aucun travail dans les autres moulins, ailleurs dans la Province, à part du moulin d'Hochelaga ? R: Non.

D: C'est le seul endroit où vous avez pu observer personnellement des choses ? R: Oui.

D: Toutes les informations qui ne concernent pas Hochelaga ce ne sont pas des informations qui sont basées sur votre observation personnelle ? R: Non.

D: Tout cela a fait l'objet de plaintes et c'est sur oui-dire ? R: Pas oui-dire.

D: Si vous ne savez pas personnellement...

R: Des plaintes, mais pas oui-dire, parce qu'on a fait notre enquête plus sérieusement que cela.

D: Vous avez siégé un peu comme une Cour, mais vous ne savez rien personnellement, excepté pour ce qui vous concerne, Hochelaga ? R: Oui.

D: Le reste c'est pour l'avoir entendu dire par des témoins ou autrement ? R: Oui.

Me McDonald: Voulez-vous dire combien il y a de membres dans la Fédération dont vous êtes le président ? R: Au mois de Juin on était huit mille (8000).

D: C'est huit mille employés de textile ? R: Oui.

Vous êtes huit mille (8000) membres du textile répartis dans les centres suivants: Montréal, Valleyfield, Sherbrooke, Magog, Saint-Hyacinthe, Farnham, Granby, Drummondville et Saint-Grégoire de Nonomorency ? R: Oui.

D: A quelle date dites-vous que vous étiez huit

Q Vous n'avez jamais été avec travail pour les autres moulins, allez-vous dans le Province, à part du moulin d'Hommelage ? R: Non.

Q C'est le seul endroit où vous avez été pratiquement des chômeurs ? R: Oui.

Q Toutes les informations qu'on concernant les chômeurs ne sont pas des informations qui vous étaient vous-mêmes ? R: Non.

Q C'est cela a fait l'objet de discussions et c'est sur cela-là ? R: Pas seul-là.

Q Si vous ne savez pas pratiquement...

R Les plaintes, mais pas seul-là, mais qu'on a fait même enquête plus sérieusement sur cela.

Q Vous avez aidé un peu comme une [illegible], mais vous ne savez rien personnellement, sauf si vous ne qui vous concernent, vous-même ? R: Oui.

Q Le reste c'est sur l'avis d'autres et sur des témoins en surnombre ? R: Oui.

Le Président: Voulez-vous dire combien il y a de membres dans la fédération sont vous faire le représentant ? R: Je crois le 1 de un [illegible] [illegible] (1000).

Q C'est tout ville employés de textile ? R: Oui.

Vous êtes tout ville (1000) membres de textile réparties dans les centres suivants: [illegible], Valleyfield, [illegible], [illegible], [illegible], [illegible], [illegible] ville et [illegible] [illegible] ?

R: Oui.

Q " quelle date adhérez-vous au vous êtes tout

mille ?

R Au mois de juin.

D Si le nombre a diminué ou augmenté, dites-le ? R: Il a augmenté, mais je ne puis pas dire exactement, parce qu'on n'a pas fait de recensement dans ce sens-là. On a augmenté de beaucoup.

D Savez-vous quelle proportion ces huit mille représentent par l'ensemble des personnes qui pourraient être membres de la Fédération dans ces divers endroits ? R: On devrait avoir la moitié.

D Vous considérez que vous avez la moitié des employés du textile des différents endroits que vous venez de mentionner ? R: Oui.

LE COMMISSAIRE: Est-ce que vous avez l'intention de pousser plus loin, d'aller dans les autres endroits aussi ? R: Certainement.

Me BEAUPRÉ: Votre organisation continue de travailler pour accroître le nombre de ses membres dans les endroits où vous avez déjà une organisation ?

R Oui. On veut aborder les endroits où nous n'en avons pas encore actuellement.

D Comme groupement, comme fédération, avez-vous commencé des pourparlers avec les représentants des usines, des filatures ? R: M.Charpentier, le président de la Fédération, a déjà visité tous les surintendants de toutes les filatures où nous avons fait de l'organisation. M.Charpentier est président de la Confédération, plutôt.

D Ce serait plutôt de M.Charpentier que nous le saurions ? R: Oui.

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R. ... au coin de Jean.

D. Il le prendre à droite, continue au ...

Le T. Si il a pas vu ... pour le ... au ...

... pour ... 5.

... de ...

... 10.

... 15.

... 20.

... 25.

... 30.

D Si un travail a été fait dans ce sens c'a été fait plutôt par M.Charpentier, qui est le président de la Confédération ? R: Oui. Il pouvait se déran er plus que nous autres.

LE COMMISSAIRE: Est-ce que je dois comprendre que le groupe de Montmorency, par exemple, fait partie de votre Fédération ? R: Oui.

Me LANCTOT: C'est l'abbé Côté qui est aumonier ?

R De la Confédération. Il est l'aumonier général de la Confédération. L'abbé Bertrand est l'aumonier général de la Fédération.

Me BLAKEMORE: La Fédération ce sont les textiles et la Confédération ce sont les travailleurs syndiqués ? R: Oui.

LE COMMISSAIRE: Pour les textiles c'est l'abbé Côté ? R: C'est l'abbé Bertrand.

Me BLAKEMORE: L'abbé Bertand est l'aumonier des textiles ? R: Oui. Mais la Cour supérieure, qui est la Confédération, on y est affiliés. La Confédération, c'est l'abbé Côté qui en est l'aumonier.

D Il y a une Confédération et une Fédération ?

R Oui.

D La Fédération c'est l'ensemble des sections du textile ? R: Oui.

D Et la Confédération c'est l'ensemble de tous les groupements ouvriers, de quelque nature qu'ils soient ? R: Oui.

LE COMMISSAIRE: C'est là qu'on trouve l'abbé Côté ? R: Oui.

Me BEAUDOUARD: Comme aumonier de la Confédération ?

R: Oui.

D Alors que l'aumonier de la Fédération des textiles c'est M.l'abbé Hertmi, n'est-ce pas ? R: Oui.

Me DUPUYSINE: Parmi vos membres syndiqués y en-a-til qui paient leur contribution ?

R C'est assez difficile de vous dire cela.

ALFRED CHARPENTIER

est assermenté .

INTERROGE PAR Me Elie BEAUREGARD, c.r.:

D Quelle est votre occupation, monsieur Charpentier ? R Je suis le président général de la Confédération des Travailleurs Catholiques du Canada.

D Depuis combien de temps occupez-vous cette fonction ? R Depuis février 1935 .

D En quoi consiste la Confédération des Travailleurs Catholiques du Canada ? R Elle consiste en groupements syndicaux, soit de syndicats professionnels isolés, soit de syndicats fédérés en fédération professionnelle également ou industrielle. Nous avons huit fédérations et nous avons 140 et quelques syndicats, tout compris dans la province de Québec .

M. LE COMMISSAIRE : Dans la province de Québec seulement ? R Dans la province de Québec seulement, et trois à Ottawa .

Me BEAUREGARD : Où est le siège social de cette organisation ouvrière ? R A Québec .

D Vous avez votre bureau à Montréal, cependant ? R J'ai mon bureau à Montréal .

D Savez-vous combien de membres comprend toute l'organisation ? R Quarante-trois mille membres

M. LE COMMISSAIRE : Est-ce qu'ils sont dans les autres provinces aussi ? R Dans Ontario, à Ottawa .

D Pour le reste, c'est dans Québec ? R Pour le

LIVRE

[illegible]

[illegible] .

[illegible] :

D Quelle est votre occupation, monsieur Chargnier ? R De suis le président général de la confédération des travailleurs catholiques du Canada.

D Depuis combien de temps occupez-vous cette fonction ? R Depuis février 1946 .

D Je vous demande la confédération des travailleurs catholiques du Canada ? R Elle consiste en groupements syndicaux, soit de spécialité ou économiques locales, soit de syndicats locaux de fédérations (nationales) [illegible] et internationales.

Leur étude [illegible] fédérations et [illegible] 140 et quelques syndicats, tout compris dans la province de Québec .

M. le Président : Dans la province de Québec seulement ? R Dans la province de Québec seulement, et trois à Ottawa .

Me [illegible] : Où est le siège social de cette organisation ouvrière ? R A Québec .

D Vous avez votre bureau à [illegible], [illegible] ? R J'ai mon bureau à [illegible] .

D [illegible] l'[illegible] ? R [illegible]

M. [illegible] : [illegible] ? R Dans [illegible], à [illegible] .

D [illegible] ? R Oui [illegible]

reste c'est dans Qu[illegible].

Me [illegible] : Lorsque vous donnez ce chiffre de 45,000 membres, devons-nous comprendre que ce sont des membres en règle avec l'association ? R Pas précisément . A cause du chômage, un grand nombre de membres ne se tiennent pas en règle .

D Financièrement ? R Financièrement .

D Vous donnez congé ..... R Des cartes de chômage .

D .... à certains membres qui sont dans le chômage ? R Dans le chômage . Nous les considérons des membres, mais non pas cotisants .

D Vous les considérez comme des membres mais vous leur donnez congé de la cotisation pendant le chômage ? R Justement .

D En nous rapprochant du textile, vous dites qu'il y a huit fédérations ? R Il y a huit fédérations .

D Le textile est formé en fédération ? R Fédération industrielle qui comprend neuf syndicats, dans les neuf endroits qui ont été signalés par le précédent témoin, et ce sont des syndicats industriels qui prennent leurs membres dans toutes les branches de l'industrie du textile .

D De quelle autonomie jouissent les syndicats vis-à-vis la confédération ? Quelle est par part de travail, dans l'organisation, de la confédération et la part de travail du syndicat, par exemple?

R La Fédération du Textile, comme du reste, toutes autres fédérations, est autonome en ce qui re-

garde la négociation des conventions collectives du travail avec les employeurs, dans l'industrie qui la concerne; et cette fédération, comme toutes nos autres fédérations, reçoit l'appui de la grande Confédération, pour la représenter auprès des pouvoirs publics, pour demander des améliorations législatives pouvant bénéficier aux ouvriers de telle ou telle fédération,- en un mot, en général .

M. LE COMMISSAIRE : Depuis quand la Confédération existe-t-elle ? R Elle existe depuis 1921.

D Et la Fédération du Textile, depuis quand ?

R Depuis le mois de juin dernier .

D Seulement ? R C'est l'une de nos dernières fédérations .

Me BEAUREGARD : Le syndicat ou la fédération, - vous l'appelez syndicat lorsqu'il n'y a qu'une cellule ? R Oui, un syndicat, c'est un groupement local, dans une ville .

D Lorsqu'il n'y a qu'une cellule ? R Oui .

D La fédération, c'est une réunion de cellules ?

R C'est une réunion des neuf syndicats existant dans autant d'endroits dans la province .

D Le syndicat est-il organisé par industrie ?

R Le syndicat dans les textiles est un syndicat industriel . Nous y enrôlons des membres de la soie, de la laine, du coton, du tricot, de toutes les branches du textile .

D Tous les employés du textile sont aptes à devenir membres du syndicat du textile ?

M. LE COMMISSAIRE : Aptes à devenir membres de

M. le président : Quelle somme la contribution ouvrière
ajoute-t-elle ? R. Elle ajoute environ 10 p.c.

D. Et la production du textile, sera-t-elle
R. Depuis la mise de plus cette
L. Seulement ? R. C'est lié au marché
mondial.

M. Pelletier : Le syndicat ou la fédération
- vous l'appelez syndicat lorsqu'il s'y a quelque
chose ? R. Oui, un syndicat, c'est un groupement
local, dans une ville.

D. Lorsqu'il n'y a qu'une ville ? R. Oui.

D. La fédération, c'est une réunion de syndicats ?

R. C'est une réunion de tous les syndicats
dans chaque district de la province.

D. Le syndicat ouvrier comprend qui exactement ?

R. Le syndicat des ouvriers du textile est un syndicat
industriel. Nous y mettons des ouvriers de la vole,
le lisse, le coton, du tricot, en somme tous
ouvriers du textile.

D. Tous les ouvriers du textile sont-ils dans
un syndicat du syndicat du textile ?

M. le président : Après à peu près quelques

la fédération, d'un syndicat ? R Aptes à devenir membres d'un syndicat .

D Et c'est le groupement des syndicats qui compose la Fédération ? R Précisément .

D Par exemple, à Montmorency, il s'agit là d'un syndicat ? R Oui .

D Et ce syndicat fait partie de la Fédération du Textile ? R Oui .

Me BEAUREGARD : Tous les employés de Montmorency sont aptes à devenir membres d'un syndicat de Montmorency ? R De Montmorency .

D Quelle que soit la fonction des employés du textile, qu'ils sont arrangeurs de métiers, qu'ils soient tisseurs ? R Cela va plus loin que cela: quelle que soit la branche particulière de l'industrie du textile, dans laquelle ils travaillent .

D Quelle que soit la fonction de l'employé, et quelle que soit la branche de l'industrie du textile ? R Oui .

D Les employés se forment par syndicat en parlant du textile, par localité ? R Par localité .

D Par localité, indépendamment du genre de travail exécuté par les membres ? R Absolument .

D Alors, c'est un syndicat industriel ? R Industriel .

D Vous avez parlé des conventions collectives du travail : ressortirait-il du syndicat ou de la fédération de conclure, avec les patrons du textile, une convention collective du travail entre les employés du textile et les patrons ? R Les pourparlers

5 seraient engagés par les officiers de la Fédération du Textile, parce que le contrat collectif que nous voudrions conclure serait provincial .

D Vous en concluez que l'initiative des pourparlers appartient à la Fédération ? R A la Fédération .

D Et la Confédération l'appuirait auprès des pouvoirs publics ? R Auprès des pouvoirs publics, auprès des employeurs également . J'ai pris l'initiative de former les syndicats du textile moi-même, à travers la province, depuis un an . C'est moi-même qui ai pris l'initiative également, de grouper ces syndicats en Fédération des textiles .

D Vous avez pris l'initiative de former les syndicats et de grouper les syndicats ? R Oui .

D En faisant ce travail, avez-vous eu l'occasion de rencontrer les propriétaires d'usines ? R Précisément .

D Et de les mettre au courant du travail que vous faisiez ? R C'est de cette façon que nous avons procédé. Je n'ai formé aucun syndicat du textile, nulle part, sans aller voir auparavant les surintendants d'usines et, en tout premier lieu, j'étais allé voir ici, M. Mills, le chef des surintendants .

D De la Dominion Textile ? R De la Dominion Textile .

D M. Mills est le chef des surintendants des différentes filatures ? R Précisément .

D Et c'est lui que vous avez vu pour lui dénoncer votre intention de former les employés textiles en

annual congrès [illegible] officiers de la Fédération du Textile, sauf que le contrat collectif que nous voudrions conclure serait provisoire.

D Vous en conclusion que l'initiative des pourparlers appartient à la Fédération ? R A la Fédération.

D Et la [illegible] [illegible] des pourparlers qualifie ? R Auprès des pouvoirs publics, auprès des employeurs [illegible]. J'ai mis à l'initiative de former les syndicats en textile moi-même, à travers la province, depuis un an. C'est moi-même qui ai pris l'initiative seulement, de prendre des syndicats en fédération des textiles.

D Vous avez pris l'initiative de former les syndicats, de prendre les syndicats ? R Oui.

D Un faisant ce travail, avez-vous ou l'occasion de prendre les possibilités d'unions ? R [illegible].

D Et de les mettre en contact de travail que vous faisiez ? R C'est de cette façon que nous avons procédé. Je m'ai formé mon syndicat de textile, moitié part, sans aller voir auparavant les autorités d'unions et, en tout premier lieu, j'étais allé voir lui, M. Mills, le chef des syndicats.

D De la Confédération Textile ? R De la Confédération Textile.

Z M. Mills est le chef des syndicats des travailleurs filateurs ? R Président.

D [illegible] [illegible] [illegible] [illegible]

syndicat et, ensuite, en fédération de syndicats ?

R Exactement .

D Avez-vous reçu l'agrément de M. le surintendant?

R J'ai rencontré la sympathie de M. Mills .

D Son consentement ? R Son consentement .

M. LE COMMISSAIRE : On vous a demandé si vous aviez reçu l'agrément de M. le surintendant ?

R Précisément .

Me BEAUHARNOIS : Qu'est-ce que M. Mills vous a déclaré ? R M. Mills m'a répondu qu'il voyait d'un bon oeil la Fédération de Syndicats Catholiques Nationaux dans les usines de sa compagnie , parce que notre organisation serait préférée, nos syndicats nationaux catholiques seraient préférés à d'autres organisations étrangères; mais qu'il ne savait pas si la compagnie traiterait avec nous autres, si elle nous reconnaîtrait officiellement .

D Avez-vous conduit des pourparlers semblables avec les chefs d'autres filatures à part la Dominion Textile ? R Oui . Je suis allé voir,- au meilleur de ma connaissance, au fur et à mesure que les noms me viennent à l'esprit,- M. Kershaw, à Sherbrooke; M. Pearce, à Magog; M. DeVerteuil, de La Canadian Celanese, à Drummondville; et ici, à Montréal, je l'oubliais, j'ai vu les surintendants de chacun des moulins de Montréal : M. Fiché, M. Michaud, et M. Sawyer .

D Les gérants des trois moulins de la Dominion Textile ? R Les gérants des trois moulins de la Dominion Textile .

D Qu'on appelle ordinairement Hochelaga, Saint-Henri et Côte Saint-Paul ? R Précisément . Ils m'ont tous bien accueilli .

D Dans les neuf localités où vous avez des syndicats, vous avez vu de même .... R Non, pas toutes les localités; quelques-unes ; St Grégoire de Montmorency, c'est l'abbé Côté, de Québec, et les dirigeants . J'ai vu ceux que je viens de mentionner . Je puis ajouter M. Aird, de Valleyfield. Mais il y a quelques autres moulins où je ne suis pas allé personnellement ; ce sont nos dirigeants de Québec qui s'en sont occupé ,- comme Saint-Grégoire de Montmorency,- ce sont les dirigeants de Québec qui s'en sont occupé .

D Vous n'avez pas de syndicat à Trois-Rivières ? R A Trois-Rivières, non, pas encore. Nous préparons le terrain tranquillement . Nous espérons pouvoir en former d'autres ailleurs, avant longtemps .

D Avez-vous fait quelques démarches, quelque travail en vue de la préparation d'une convention collective du travail dans les textiles ? R Oui . Il faut dire que la conclusion de notre mémoire de griefs servira de base à l'élaboration de notre convention collective . Nous allons commencer à l'élaborer, mais cette conclusion servira de base .

D Vous parlez de la conclusion de la pièce 797, qui a été discutée à l'occasion du témoignage de M. Côté ? R De M. Côté .

D Dois-je comprendre que la convention collective du travail des textiles est actuellement en voie

qu'on apprête actuellement à Montréal. Sont-
ce-que c'est Saint-Jean ? M. Fournier : Il
n'est pas plus connu.

D. Mais les vont locaux de vous des nouvel-
ville, vous avez le ... M. Non, pas les
les les locaux; quelques-uns ; 50 étudiants de
Toronto, c'est l'ordre 50%, 6 mois, et les diri-
geants . J'ai vu aussi que je viens de mentionner
de pays plusieurs M. Alex, de Hollywood. Mais il y
a quelques autres noms qui je ne sais pas aussi pro-
noncellement ; ce sont des diplômés de Toronto qui
s'en sont occupé - comme Saint-Hubert de montreal
ou,- ce sont les diplômés de Toronto qui s'en sont
occupé .

D. Vous n'avez pas de problème à Trois-Rivières ?

R. A Trois-Rivières, non, je ne sais. Nous avons
reçu le bureau tranquillement . Nous serions con-
tent de trouver quelque milieu, quelque lieu .

D. Avez-vous fait quelques démarches, vous ne
travail en vue de la préparation d'une occupation
quelqu'un de travail dans les environs ? M. Non .
Il faut être que la population de notre somme ne
grande service de base à l'éducation de notre nou-
veaux médecins . Nous allons commencer à l'éta-
bler, mais cette complication service de base .

D. Nous venons de la conclusion de la page 177,
et j'ai dessiné à l'examen de chiropraxie de
Ontario . M. Oui .

D. Tout-à-coup que la communication actuelle
de travail par exemple est actuellement, on vous

d'élaboration ? R Absolument . Dans un mois, peut-être, nous la soumettrons aux compagnies .

D Vous serez en position ,dans un mois, de soumettre aux compagnies ce que vous suggérez ? R Justement,- environ .

D Vous venez de faire allusion au document 7x7 et j'ai compris que vous aviez contribué à rédiger ce document ? R Précisément . J'ai aidé à nos jeunes amis de la Fédération du textile à coordonner les faits que nous avons reçus de différents syndicats, et, ensuite, à en faire la rédaction définitive .

D Alors, vous connaissez bien ce document ? R Absolument .

D Vous étiez présent lors du témoignage de M. Côté ? R Oui .

D Vous n'êtes pas un employé des textiles et vous n'avez aucune connaissance personnelle des faits qui sont mentionnés dans ce mémoire ? R Absolument pas .

D Ce que vous avez collationné, ce sont les témoignages, en quelque sorte, qui vous ont été donnés et les rapports écrits ? R Les rapports écrits .

D C'est à l'aide de ces témoignages et rapports écrits, que vous avez collationnés, que vous avez préparé ce document ? R Oui, monsieur .

D Alors, je m'en tiendrai avec vous particulièrement aux conclusions . Vous dites que le projet de contrat, de convention collective, qui est actuellement en préparation, engloberait d'une façon

D'habitations ? R Seulement . Dans un moin-
dre, pour le ministère du travail .

D Vous avez ce matin, dans un mois, ce concer-
tant aux conseils ou que vous engagent ? R Jusqu'
présent, - oui, non .

D Vous venez de faire allusion au nombre 747 et
jusqu'après vos vues avec construit à rédiger ce
document ? R Précédemment . J'ai mis à nos
jours après la rédaction et traité à soumettre
les faits que nous avons reçus de différents spécia-
ux, et, ensuite, à en faire la rédaction définitive .

D Alors, vous connaissez bien ce document ? R Ab-
solument .

D Vous étiez présent lors du témoignage de M.
Udsk ? R Oui .

D Vous n'êtes pas en employé des textiles et
vous n'avez aucune connaissance personnelle des
faits en question ? R Absolument pas .

D Ce que vous avez entendu, ou mot à mot ce
qu'on a, en quelque sorte, qui vous est fait donné
et les rapports écrits ? R Les rapports écrits .

D D'après l'étude de ces témoignages et rapports
écrits, vous avez formé initialement, du vrai avec
prévoyez ce document ? R Oui, concluant .

D Alors je dis, vraiment avec pertinence
rent aux conclusions . Vous étiez sur le point
le rapport, de conversion collective, qui est actu-
lement en préparation, représentant plus l'opin-

générale les conclusions de cette pièce 797 ?

R Certainement .

D Je ne vois pas, cependant de prix ? R Non. Il y a des détails à ajouter, évidemment, à ces paragraphes très brefs résumant le mémoire . Nous aurons un barème de salaires pour chaque usine et pour chaque département, chaque opération .

D Pouvez-vous nous dire combien il y a de contrats collectifs de passés actuellement dans la province ?

R Environ soixante .

M. LE COMMISSAIRE : Il n'y en a pas du tout dans les textiles ? R Non, pas dans les textiles .

Me BEAUREGARD : Il n'y en a pas dans les textiles ? R Du tout .

D Il y en soixante dans la province ? R Dans diverses industries . Ces soixante contrats collectifs dans la province de Québec, peuvent représenter 25 industries .

D Est-ce que vous passez des contrats collectifs pour une partie seulement de l'industrie, dans certains cas ?

M. LE COMMISSAIRE : Est-ce que la loi des contrats collectifs s'applique à l'industrie textile ? Il me semble que quelqu'un nous a dit que cette loi ne s'appliquait pas aux industries qui avaient une concurrence venant de l'étranger .

Me BEAUREGARD : C'était seulement une opinion.

Me CHAFYRION : Mon souvenir du texte, c'est qu'il y a une disposition à ce sujet, mais je ne me souviens pas exactement comment elle est rédigée.

[illegible]

R. [illegible].

D. Je ne vois pas, conformément du prix ? R. [illegible]. Il y a des détails à ajouter, évidemment, à ces prix-[illegible] très simple vraiment le mouvement. Nous avons un bonus de salaires pour ouvriers unis et pour l'ouvrage supplémentaire, chaque opération.

D. Pouvez-vous nous dire combien il y a de contremaîtres collectifs de grande envergure dans la province ?

R. [illegible].

M. LE COMMISSAIRE : Il n'y en a pas du tout dans les textiles ? R. Non, pas dans les textiles.

M. LE COMMISSAIRE : Il n'y en a pas dans les usines ? R. Du tout.

D. Il y en a-t-il dans la province ? R. Beaucoup d'usines industrielles. Cela existe contrôle collectif dans la province de Québec, pendant temporairement la construction.

D. Pouvez-vous donner quelques exemples pour une partie seulement de l'industrie, dans cette usine ?

M. LE COMMISSAIRE : Sait-on que la loi des conditions collectives s'applique à l'industrie textile ? Si oui, quelle loi se s'applique pas aux industries qui relèvent non seulement du fédéral.

M. LE COMMISSAIRE : C'est seulement une opinion.

M. [illegible] : Son nouveau de texte, c'est qu'il y a des différences à de salaire, mais il ne [illegible] les conditions [illegible].

LE TEMOIN : C'est absolument le cas, Votre Seigneurie; il y a une clause qui existe dans la loi au sujet des industries subissant une concurrence étrangère . Cependant, les autorités politiques provinciales ne tiennent pas compte rigoureusement de cette clause-là, parce qu'il y a des industries qui subissent la concurrence étrangère où nous avons ...

M. LE COMMISSAIRE : Si la loi ne la prévoit pas, alors la convention est nulle . Si la loi ne s'applique pas aux industries qui, comme vous dites, subissent une concurrence étrangère, alors, je ne vois pas quelle utilité cette convention collective peut avoir .

Me GRIFFIN : Tant que quelqu'un ne poursuivra pas ....

LE TEMOIN : J'étais à dire qu'il y a des industries qui subissent la concurrence étrangère et dans lesquelles le Gouvernement ....

M. LE COMMISSAIRE : Est-ce que vous comptez les textiles dans cette catégorie-là, ou qu'est-ce que vous avez en vue ? R Dans l'industrie du vêtement, dans la confection, entre autres; c'est une industrie qui subit la concurrence étrangère .

Me BEAUREGARD : Vous avez des contrats collectifs dans ce que l'on a appelé l'industrie textile secondaire,- le vêtement, la fabrication du vêtement ? R Oui . Pour nous, nous appelons la confection .

D Dans cette partie de l'industrie textile, qu'on appelle l'industrie textile secondaire .... R Cela

M. [illegible] : Il y a une clause qui existe dans la loi en vertu des industries nécessaires une conférence étrangère . Cependant, les autorités politiques provinciales ne disent pas comme différemment de cette clause-là, parce qu'il y a des industries qui subissent la concurrence étrangère où pour avoir ...

M. LE COMMISSAIRE : Si le loi ne le prévoit pas, alors la convention est nulle . Si la loi ne s'applique pas aux industries qui, comme dans [illegible], subissent une concurrence étrangère, alors, je ne vois pas quelle utilité cette convention collective peut avoir .

Me GERTRAUM : Tant que quelqu'un ne pourcentage pas ....

LE TÉMOIN : J'étais à dire qu'il y a des industries qui subissent la concurrence étrangère et dans les quelles le gouvernement ....

M. LE COMMISSAIRE : Sont-ce que vous connaissez le textiles dans cette catégorie-là, ou qu'est-ce que vous avez en vue ? R Dans l'industrie du vêtement, dans la confection, entre autres; c'est une industrie qui avait le [illegible] .

Me [illegible] : Vous avez des centres [illegible] tile donc ce que j'ai a appelé l'industrie textile secondaire.- Le vêtement, la fabrication de vêtement ? R Oui . Pour nous, nous classons la textile .

Q Dans [illegible] de l'industrie textile, qu'appelle l'industrie textile secondaire .... R Ou

c'est la transformation .

D .... il y a des contrats collectifs de passés ?

R Justement .

D Il peut se trouver que certaines industries acceptent le contrat collectif lorsqu'elles ne sont pas tenues de le faire ? R Oui .

D Ce qu'elles font de leur plein consentement ?

R Précisément .

D Et il se trouve que certaines industries ont accepté, de leur plein consentement, la convention collective du travail, alors qu'elles auraient peut-être pu objecter la concurrence étrangère à laquelle elles sont sujettes ? Mais elles n'ont pas jugé à propos d'y faire objection jusqu'à présent .

Me GEOFFRION : Je crois que mon savant ami fait erreur ; la convention collective est volontaire, toujours .

Me BEAUREGARD : La convention collective est toujours volontaire; alors, l'industrie qui s'y soumet, s'y soumet volontairement ? R Oui .

M. LE COMMISSAIRE : C'est par ~~te~~ extension ensuite, que le contrat devient obligatoire ? R C'est cela.

Me BEAUREGARD : Seulement, il ne serait pas obligatoire, d'après une certaine opinion, pour l'industrie qui subit de la concurrence .

M. LE COMMISSAIRE : Cela dépend absolument des termes de la loi .

LE TEMOIN : La loi permet aux intéressés dans une industrie qui subit la concurrence étrangère de se tenir à l'écart de cette loi, de ne pas passer de

ne pas passer de convention collective; seulement, elle ne les empêche pas d'en passer tout de même, si les parties contractantes sont consentantes .

Me BEAUREGARD : Et certaines industries qui auraient pu ne pas en passer en ont passé et ne s'en plaignent pas jusqu'à date ? R Précisément .

D Pourquoi ne s'en plaignent-elles pas ? R Parce qu'elles y trouvaient avantage .

D Parce qu'il s'est trouvé que le contrat collectif n'était pas seulement avantageux pour les ouvriers mais étaient avantageux pour le patron ? R Etait avantageux pour le patron également .

Me GEOFFRION : Ce n'est pas cela du tout . Voici les termes de cette loi : "Le lieutenant-gouverneur en conseil pourra refuser d'appliquer les dispositions de la présente loi à une industrie susceptible, d'après son estimation, de subir, par leur mise en application, de graves inconvénients du fait de la concurrence des pays étrangers ou d'autres provinces." C'est donc le lieutenant-gouverneur en conseil qui le juge .

L'COMMISSAIRE : Du moment où une demande est faite pour l'extension d'un contrat collectif, si le Gouvernement juge à propos de s'y opposer ...

Me BEAUREGARD : Si le Gouvernement juge à propos de s'y opposer, il arrête la discussion ?

R Précisément.

M. LE COMMISSAIRE : Jusqu'à présent la question ne s'est pas posée dans l'industrie textile ?

R Non .

elle ne [illegible] pas d'un pouvoir sur. Ce [illegible] les peines contraires sont constitutionnelles.

[illegible] : Y a-t-il une loi qui permet au pouvoir de gré ou d'un plaignant pas jusqu'à date ? R. Il [illegible].

D. Lorsque le n'est plaignant-[illegible] ? R. Pas qu'elles y trouvent avantage.

D. Dans qu'il n'est tenu pas le système [illegible] pas mais étaient avantageux pour le pouvoir ? R. Ils avantageux pour le système [illegible].

Me CONTRIN : Ce n'est pas [illegible] le [illegible] et les termes de cette loi : "Le lieutenant-gouverneur en conseil peut [illegible] l'application [illegible] tions de la présente loi à une industrie ou [illegible] d'après son estimation, de nature, par leur [illegible] application, de prévoir inconvénients ou tort [illegible] conséquence des [illegible] ou d'autres provinces, [illegible] pour le [illegible] ou [illegible] qui le juge.

L'HONORABLE : Ou pouvoir [illegible] ou une [illegible] fait le [illegible] l'intérêt d'un [illegible], si le Gouvernement juge à propos de [illegible].

Me [illegible] : Et le Gouvernement juge ? [illegible] de [illegible], il [illegible] la [illegible] ?

R. [illegible].

M. LE [illegible] : Jusqu'à présent le [illegible] ne n'est pas [illegible] dans l'industrie textile ?

Me BEAUREGARD : Vous avez jusqu'ici passé des contrats collectifs avec une certaine partie de l'industrie secondaire des textiles ? R Oui . D Mais vous n'en avez pas passé avec l'industrie primaire ? R Pas encore .

D Ce que vous avez en vue, précisément, en parlant de la Confédération des Textiles, ce sont des employés de l'industrie primaire des textiles ? R Oui . Nous escomptons que la négociation d'un contrat collectif avec l'industrie textile sera possible, pour la raison qu'en Ontario il y a une loi semblable à la nôtre ....

D Vous voulez dire facultative aussi ? R Je veux dire facultative aussi . La loi dite "Industrial Standards Act" .

M. le COMMISSAIRE : Il faut toutefois le plein consentement des deux .

Me BEAUREGARD : Facultative, en ce sens que les deux parties sont libres de consentir la convention collective ? R C'est cela .

M. LE COMMISSAIRE : Pas seulement cela . Il faut que les deux parties demandent l'application de la loi .

Me GEOFFRION : Il faut que la convention, chez nous, soit faite librement et devienne prépondérante .

M. LE COMMISSAIRE : C'est alors que le Gouvernement peut prendre en considération les dispositions de la loi que vous venez de lire ?

Me GEOFFRION : Oui .

Me LE COMMISSAIRE : Mais dans l'Ontario, c'est

[illegible] : [illegible] Ivan Jeremy "Ivi" Bennett
Que pensez-vous d'une certaine presse en
l'industrie manufacture des textiles ? R. - Oui .
D. Mais vous n'en avez pas peur? vous l'appelez
[illegible] ? R. Du coupe .
R. Je vous dirai en ... 'publicity', - [illegible]
de la industrialisation des textiles, ou sont des em-
ployés de l'industrie optimiste des textiles ?
R. Oui . Mais aussitôt que la présentation d'un
contrat collectif vous l'industrie textile sera con-
sidérable, pour le moment qu'on ontario il y a une loi
applicable à la cité ....
D. Vous voulez dire Coalitative ment ? R. Je veux
dire Coalitative ment . La loi dite "Industrial
standards act" .
R. La [illegible] : Il faut toujours le dire
à mon travail des gens .
Q. Bien [illegible] : Punitative, ou ce sans que
les deux parties sont libres de commerit la com-
vention collective ? R. C'est ceci .
R. [illegible] : Je [illegible] .
Fait que les deux parties demandent l'application
de la loi .
Q. [illegible] : Il faut que la convention, chez
nous, soit faite librement et davantage pendant-
[illegible] .
R. [illegible] : Mais dans la [illegible]
[illegible] [illegible] [illegible]
de la loi [illegible] [illegible] [illegible]
[illegible] : [illegible] .

M. LE COMMISSAIRE : Mais dans l'Ontario, c'est autre chose , il faut qu'à l'origine employeurs et employés se présentent tous les deux et demandent qu'on l'impose .

LE TEMOIN : Là, il suffit d'une partie .

Me BEAUREGARD : Ici, une partie peut mettre le mécanisme en mouvement ? R Oui .

D Mais l'une des parties peut refuser de faire la convention ? R C'est cela .

M. LE COMMISSAIRE : Dans une industrie locale quelconque, les deux parties peuvent faire une convention . Mais c'est lorsqu'une des parties demande l'extension de cette convention à toute l'industrie, c'est alors que le Gouvernement a un mot à dire .

D Dans l'Ontario, c'est autre chose . Il faut, dès le commencement, pour qu'on ait un contrat collectif, que les deux parties se présentent et demandent au Ministère du Travail d'enregistrer un tel contrat .

Me BEAUREGARD : Si j'ai bon souvenir, on fait alors toutes sortes de conférences préliminaires et quand on est sûr de l'assentiment des deux parties ...

M. LE COMMISSAIRE : La loi prévoit une réunion territoriale, on invite les employeurs dans cette région à venir assister à une assemblée .

LE TEMOIN : Autre chose, dans l'Ontario c'est un promoteur du Gouvernement qui invite les parties intéressées en conférence, qui leur propose une entente . Ici, il faut que ce soit les parties intéressées qui agissent d'elles-mêmes .

M. L. : Mais vous avez une [illegible], mais
entre nous, il vous est si facile maintenant
maintenant de vous [illegible] que vous vous
qu'on l'impose .

Le Jeune : Ah, il montre d'une [illegible] .

Le Représentant : Oui, une partie peut mettre le
[illegible] en mouvement ? R : Oui .

D : Mais l'une des parties peut refuser de faire le
[illegible] R : c'est vrai .

M. L. [illegible] : Dans une [illegible] [illegible]
[illegible], les deux [illegible] [illegible]
[illegible] . Mais c'est lorsqu'une des parties a [illegible]
l'[illegible] [illegible] [illegible] [illegible],
[illegible] [illegible] [illegible] .

D : Dans l'ONUCI, c'est autre chose . Il faut,
dès le commencement, pour qu'on ait un cessez-fe-
[illegible], que les deux parties se prononcent et demen-
dent au Haut-Commissaire d'enregistrer un tel
cessez-fe .

Le Représentant : Si j'ai bien compris, on doit
[illegible] [illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] on est sûr de l'assentiment des deux parties .

M. [illegible] : Le lot prévoit une [illegible]
territoriale, on leur les employeurs [illegible]
[illegible] à venir [illegible] à [illegible] .

Le Président : Après [illegible], dans l'ONUCI c'est
le [illegible] du Commandement qui [illegible] les parties
[illegible] [illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] . Mais, il [illegible] [illegible] les [illegible]
[illegible] [illegible]

Me BEAUREGARD : Qui prennent l'initiative ?

R Qui prennent l'initiative .

D Jusqu'ici, après la passation de contrats collectifs, avez-vous eu connaissance qu'aucune des industries soumises à la convention collective ait mis fin au contrat ? R Cela se résume à peu d'exceptions .

D Parce que la convention collective n'avait pas été un mode satisfaisant de relations ouvrières ?

R Justement . Et ce sont quelques employeurs ....

Me GOFFMAN : L'enquête s'élargit formidablement . Il y a toutes espèces de théories là-dessus .

LE TEMOIN : Ce sont certains employeurs qui ont discontinué de renouveler certains contrats,- mais dans trois ou quatre industries seulement .

(La séance est ajournée à Ottawa, le dix heures et demie du matin, le 5 novembre courant)

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Me BOURGOUIN : Qui propose l'ajournement ?

M. Qui propose l'ajournement.

D Jacques, après la promulgation de constats collectifs, avez-vous de nombreuses demandes d'associations ouvrières ayant adhéré à la convention collective qui m'a été du contrat ? R Cela se passe à peu d'exceptions.

D Pensez que la convention collective n'aurait pas été un bon mécanisme de relations ouvrières ?

R Justement. Et ce sont ordinairement ....

Me [illegible] : Il y a toutes sortes de théories là-dessus.

Me BOURGOUIN : Ce sont certains employeurs qui ont demandé de nous voir certains contrats.- mais dans trois ou quatre incidents seulement.

(Il nous est impossible à l'heure, ici, de lire les et dont on parle, le 3 novembre courant.)

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

EIGHTY-THIRD DAY

(November 5, 1936)

Robert Brydie,
Official Reporter

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

Appearances:

J.C. McRuer, K.C. and E. Beauregard, K.C.	Commission Counsel,
J.P. Lanctot, K.C. and R.L. Kellock, K.C.	For Special Committee on Primary Textile Industries.
C.G. Heward, K.C. Aime Geoffrion, K.C. and C.T. Ballantyne,	For Dominion Textile Company.
S.G. Dixon, K.C.	For Courtaulds, Limited.
L.A. Forsyth, K.C.	For Canadian Celanese Limited, and Canadian Silk Products Limited.

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J.W. Horner, K.C. and A. Macdonald, K.C.	Canadian General,
J.F. Lenotet, K.C. and R.L. Kellock, K.C.	For special Committee on Primary Textile Industries.
C.C. Howard, K.C. Alex Davidson, K.C. and C.F. Sullivan,	The Canadian Textile Company,
E.G. Dixon, K.C.	For Courtaulds, Limited,
L.A. Forsyth, K.C.	For Canadian Celanese Limited, and Canadian Silk Products Limited,

Ottawa, Ontario,
November 5, 1936.

The Commission resumed at 10.30 a.m.

THE COMMISSIONER: All right, Mr. McRuer.

MR. McRUER: I wish first, my lord, to adduce evidence in reference to Exhibit 703. Your Lordship will recollect that when we were in St. Catharines some correspondence was filed in reference to a fabric known as Habutai Twill, and there was some evidence to the effect that inquiry had been made as to whether it was a fabric of a class or kind made in Canada. I think some correspondence took place between Mr. Watson and Mr. Hallam in regard to a piece of cloth that was specially made up for the purpose of submission to the customs authority.

THE COMMISSIONER: You said Exhibit 703 ?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: That was a letter.

MR. McRUER: It is a number of letters. The first is dated March 12, 1934.

THE COMMISSIONER: That is from Mr. Hallam to Mr. Watson?

MR. McRUER: Yes.

G. E. HOOPER - Recalled

EXAMINED BY MR. McRUER:

Q. Now I ask you, Mr. Hooper, to produce any correspondence in reference to some particular subject that was on the files of the department. You have produced and had copies made of the correspondence in regard to this matter? A. Yes, sir.

Ottawa, Ontario,

[illegible] 8, 1964.

The Commission resumed at 10.40 a.m.

[illegible]

MR. [illegible]: I did in fact, my Lord, give evidence in reference to Exhibit 70E. Your Lordship will recollect that when we were in Ottawa, letters were correspondence was filed in reference to a fabric known as Brocket Twill, and there was some evidence to the effect that inquiry had been made as to whether it was a fabric of a class or kind made in Canada. I think some correspondence took place between Mr. Watson and Mr. Gallen in regard to a piece of cloth that was specially made up for the purpose of submission to the customs authority.

THE COMMISSIONER: You said Exhibit 70E?

MR. [illegible]: Yes, my Lord.

THE COMMISSIONER: That was a letter.

MR. MORDEN: It is a number of letters. The first is dated March 12, 1964.

THE COMMISSIONER: That is from Mr. Gallen to Mr. Watson?

MR. [illegible]: Yes.

E. E. MOOREN - Recalled

EXAMINATION BY MR. [illegible]:

Q. Now I ask you, Mr. Cooper, to produce any correspondence in your office to some particular subject that was on the files of the department. You have produced and had copies made of the correspondence [illegible]

THE COMMISSIONER: This will be Exhibit 798. Is it departmental correspondence?

MR. McRUER: Departmental correspondence in reference to Habutai Twill..

EXHIBIT 798: Departmental correspondence in reference to Habutai Twill

MR. McRUER: Might I explain, my lord, that Mr. Hooper has a bad leg, and he would be more comfortable if Your Lordship would permit him to sit while he is being examined.

THE COMMISSIONER: Certainly.

MR. McRUER: The first letter on this file, Exhibit 798, is dated February 6, 1934. It is from Silks Limited to the Commissioner of Customs and reads:

"We have received an inquiry from a scarf manufacturer who wishes to import from Japan Habutai Twill fabrics and desires to pay duty at 20 per cent under Tariff Item 564. We called on Mr. Relyea asking for his opinion as to whether Habutai Twill would be entitled to entry under this item and in this respect we refer t you to your memo No.580, file No.169210, October 27th, 1932, wherein specific classification is given to English Foulards, 35" to 37" in width with a twill weave. These goods are identical to English Foulard and will be imported in 35" to 36" width but will be plain white.

THE COMMISSIONER: This will be Exhibit 798.

Is it departmental correspondence?

MR. HOOPER: Departmental correspondence in reference to Abdul Twill.

EXHIBIT 798:

Twill

MR. HOOPER: Sheet 1 answers, My Lord, that Mr. Hooper has a bad leg, and he would be more comfortable if Your Lordship would permit him to sit while he is being examined.

THE COMMISSIONER: Certainly.

MR. HOOPER: The first letter on this File, Exhibit 798, is dated February 6, 1964. It is from Alias Limited to the Commissioner of Customs and reads:

"We have received an inquiry from a Sport Manufacturer who wishes to import from Japan Abdul Twill Fabrics and desires to pay duty at 20 per cent under Tariff Item 704. My Valued on Mr. Hooper seeking for his opinion as to whether Abdul Twill would be entitled to entry under this item and in this respect we refer t you to your memo No.390, File No.16921C, October 27th, 1959, which specific classification is given to English Flannels, 55" to 27" in width with a twill weave. These goods are identical to English Cheviots and will be Sports Wear.

The manufacturer is desirous of obtaining definite information prior to importation regarding the classification of these fabrics so that there will be no mistakes. We might state Mr. Relyea is also interested to learn your opinion on the classification of Habutai Twill fabrics (of a class or kind not made in Canada) for manufacturers of mufflers."

The next is a letter from the Commissioner of Customs to Silks Limited dated February 10, 1934.

THE COMMISSIONER: Who are Silks Limited, by the way ?

THE WITNESS: They are manufacturers and jobbers in Toronto.

BY MR. McRUER: Q. This letter dated February 10, 1934, reads:

" Subject: Tariff status of Twilled Silk in the greige.

"Gentlemen:

I am in receipt of your letter of the 6th instant, inquiring in regard to the importation from Japan of Habutai Twill fabrics, which it is desired to enter under Tariff Item 564.

In reply your attention is directed to Memo. No.580, copy enclosed, from which you will note that plain white fabrics cannot be permitted entry under the provisions of Tariff Item 564.

The manufacturer is desirous of obtaining definite information prior to importation regarding the classification of these fabrics so that there will be no mistakes. We might state Mr. Hulyes is also interested to learn your opinion on the classification of mohair twill fabrics (of a close or kind not made in Canada) for manufacturers of muffers."

The next is a letter from the Commissioner of Customs to Stine Limited dated February 10, 1964.

by the way ?

THE WITNESS: They are manufacturers and jobbers in Toronto.

BY MR. McHUGH: Q. This letter dated February 10, 1964, reads:

" Subject: Tariff status of Twilled silk in the piece.

Gentlemen:

I am in receipt of your letter of the 6th instant, inquiring in regard to the importation from Japan of Mohair Twill fabrics, which it is desired to enter under Tariff Item 564.

In reply your attention is directed to Item 564, and notes, Tariff Item will note that plain white fabrics cannot be permitted entry under the provisions of Tariff Item 564.

You are advised that, unless these fabrics qualify under the special provisions laid down in Tariff Item 560, they would be dutiable under Tariff Item 560a at 40 per cent ad valorem, less a discound of 10 per cent plus a specific duty of 10 cents net, per lineal yard, when imported into Canada from Japan.

Tariff item 560, above mentioned, reads as follows:

"Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed nor bleached, not less than twenty inches in width, weighing not more than seven pounds for each hundred yards thereof, imported for the purpose of being degummed, dyed and finished in Canada."

The rate of duty under this item would be 30 per cent ad valorem, intermediate tariff, when the materials are imported into Canada from Japan in accordance with the trade agreement regulations."

The next letter is from Silks Limited to the Commissioner of Customs dated February 18, 1934:

"Attention: Mr. H. C. Williams

Dear Sir:

Please accept our thanks for yours of the 10th instant, file NO. 175245.

We note that Habutai Twill fabrics, plain without designs, cannot be allowed entry under tariff item 564. The goods in question could not be imported under tariff item 560 as the weight exceeds seven pounds

The goods in question, namely, woven fabrics, under the general provisions laid down in Tariff Item 360, they would be dutiable under Tariff Item 360a at 40 per cent ad valorem, less a discount of 10 per cent plus a specific duty of 10 cents net, per linear yard, when imported into Canada from U.S.A.

Tariff Item 360, reads as follows:

"Woven fabrics wholly or in other part by weight of silk in the gum, not degummed nor discharged, not less than twenty inches in width, weighing not more than seven ounces for each measured yards thereof, imported for the purpose of being degummed, dyed and finished in Canada."

The rate of duty under this item would be 30 per cent ad valorem, intermediate tariff, when the materials are imported into Canada from those countries with the most-favoured nation relations.

The next letter is from Hills limited to the Commissioner of Customs dated February 14, 1944:

Attention: Mr. . . G. Williams

Dear Sir:

Please accept our thanks for your of the 10th instant, File No. [illegible].

We note that imported Twill Crepe, plain without figures, cannot be allowed entry under Tariff Item 364. The goods in question would not be imported under Tariff Item 360 as the width exceeds 20 inches.

per 100 yards. However, we would appreciate very much your advice as to whether dumping duty would be applicable on Habutai Twill fabrics as same are of a class or kind not made in Canada, and would be imported only for use by scarf manufacturers although not allowed classification under tariff item 564.

Your advice in this matter will be appreciated."

Now, Mr. Hooper, in respect to this particular type of goods, what is the difference in regard to the duties leviable against them if they are goods of a class or kind not made in Canada as compared with goods of a class or kind made in Canada? A. The difference would be the dumping duty between 49.85 cents and the current rate of exchange, approximately 29 cents.

Q. But whatever it is, the effect is that if the goods were of a class or kind not made in Canada, no dumping duty would be leviable, but if they were of a class or kind made in Canada the dumping duty would be leviable in the proper case. A. Yes, on account of the currency being depreciated.

Q. The next is a letter dated February 15, 1934, from the Commissioner of Customs to Silks Limited:

"Subject: Silk Fabric

Gentlemen:

Replying to your letter of the 13th instant requesting to be advised as to whether Habutai Twill fabrics, to be used in the manufacture of scarfs, are of a class or kind

per 100 yards. However, we would appreciate very much your advice as to whether dumping duty would be applicable on Sabotai Twill fabrics as made are of a class or kind not made in Canada, and would be imported only for use by export manufacturers although not allowed drawback under tariff item 384.

Your advice in this matter will be appreciated."

Now, Mr. Hooper, in respect to this particular type of goods, what is the difference in regard to the duties leviable against them if they are goods of a class or kind not made in Canada as compared with goods of a class or kind made in Canada? A. The difference would be the dumping duty between 42.85 cents and the current rate of exchange, approximately 23 cents.

Q. But whatever it is, the effect is that if the goods were of a class or kind not made in Canada, no dumping duty would be leviable, but if they were of a class or kind made in Canada the dumping duty would be leviable in the proper case.

A. Yes, on account of the currency being depreciated.

Q. The next is a letter dated February 15, 19 from the Commissioner of Customs to Silks Limited:

"Subject: Silk Twill

Gentlemen:

Replying to your letter of the 12th instant requesting to be advised as to whether Sabotai Twill fabrics, to be used in the manufacture of corsets, are of a class or kind

made in Canada;

You are requested to submit a sample or samples of the material in question."

That is followed by a letter from Silks Limited to the Commissioner of Customs dated February 19, 1934:

"Gentlemen:

In reply to yours of the 15th instant, file No.86550, G.F. 2H, we are enclosing herewith sample of Habutai Twill fabric which is of a class or kind not made in Canada and would be imported only for the manufacture of scarfs by scarf manufacturers."

The next is a letter dated February 22, 1934, from the Commissioner of Customs to Major Douglas Hallam, Secretary, Canadian Woollen & Knit Goods Manufacturers' Association:

"Subject: Silk Fabric

Sir:

Importers of Habutai Twill fabric, to be used in the manufacture of scarfs, have raised the question of whether this material, as per sample submitted, is of a class or kind made in Canada.

Your advice is kindly requested at your earliest convenience."

The next is a letter from Douglas Hallam to L. F. Jackson, Department of National Revenue, dated March 6, 1934:

"will be needed.

You are requested to submit a sample or samples of the material in question."

That is followed by a letter from Allen Limited to the commissioner of customs dated February 12, 1924:

"Gentlemen:

In reply to yours of the 10th instant, file No.88880, C.F. 22, we are enclosing herewith sample of Robbed Twill Tweed which is of a class or kind not made in Canada and would be imported only for the manufacture of articles by asset manufacturers."

The next is a letter dated February 27, 1924, from the commissioner of customs to Major Douglas Hallam, Secretary, Canadian Woollen & Knit Goods Manufacturers' Association:

"Sub-sect. 1(a) Tariff

Sir:

Import tax of Robbed Twill Tweeds, to be used in the manufacture of coats, have raised the question of whether this material, as per sample submitted, is of a class or kind made in Canada.

Your advice is kindly requested at your earliest convenience."

The next is a letter from Douglas Hallam to E. F. Jackson, Department of National Revenue, dated March 6, 1924:

"Dear Sir: File 86550, GF 2H.
Silk Fabrics

I have your letter of Feb. 22nd re Habutai Twill. Owing to my absence from the office, this was not taken care of before but thesamples are now out in the mills, and we will report as soon as we hear back."

In order to keep the continuity of the correspondence on the record I should like to read now, my lord, the letters in their chronological order, that appear in Exhibit 703. The next letter in chronological order is from Douglas Hallam to P. R. Watson, dated March 12, 1934:

"Dear Mr. Watson: Habutai Twill

I do not quite know how to answer the Customs Department enquiry regarding this material for scarves.

The following mills report they do not make it:

Associated	Louis Roessel
British American	Riverside
Consolidated	Blingsby
Grout's	

Is there any fabric made that would substitute for this? Should we get one of the mills to make some of this, and if so which one. I shrewdly suspect that the enquiry comes from Mr. Kates, Allied Art Printing Company, Montreal."

Then a letter dated March 14, 1934, from Mr. Watson to Mr. Hallam, also contained in Exhibit 703:

"Dear Sir: File 8550, GF 22.
Sir - Hooper

I have your letter of Feb. 22nd re
industrial mill. Owing to my absence from
the office, this was not taken care of before
but representations are now out in the mills,
and we will report as soon as we hear back.
In order to keep the continuity of the correspon-
dence on the record I should like to read now,
my lord, the letters in their chronological
order, that appear in exhibit 706. The last
letter in chronological order is from Douglas
Hallam to F. R. Patson, dated March 12, 1934:

"Dear Mr. Patson: Industrial Mill

I do not quite know how to answer the
[illegible]
[illegible] vacuum.

The following mills report they do not
[illegible]

Associated
Pulp & Paper
Companies
Limited
Montreal

Louis Roseen
Secretary
Allowey

Is there any fabric made that would
substitute for this? Should we get one of
the mills to make some of this, and if so
which one. I shrewdly suspect that the
security comes from Mr. Patson, Allied Art
Printing Company, Montreal."

There is a letter dated March 16, 1934, from Mr.
Patson to Mr. Hallam, also contained in exhibit 706:

"Dear Sir:

As told you over the 'phone I feel that to tell the Customs Department that this sample of Habutai Twill is not made in Canada would be the same as telling them to allow 10 momme plain crepe-de-chene in under this scarf item so that I am putting in work today a 40-yard piece that should be a duplication of the sample attached to your letter.

Is it now possible to tell the Customs that we are making it and we can show it to their customer in ten days time although undoubtedly he will not be pleased with the price compared to the price that he can buy it for in Japan if he can get it in under the scarf item.

I feel however, that it would be just hopeless to open this scarf item up to anything like this.

Very respectfully yours."

Then another letter in the same exhibit, 703, from Douglas Hallam to P. R. Watson, dated March 21, 1934:

"Dear Mr. Watson:

I am holding up my answer to Ottawa re Habutai Twill until I can get a sample from you. Please let me have a sample when ready."

Then another letter in the same Exhibit, 703, from Mr. Watson to Douglas Hallam, dated March 26, 1934:

As told you over the 'phone I feel that to tell the Customs Department that this sample of Hobated Twill is not made in Canada would be the same as telling them to allow 10 cents plain cross-duty in under this exact item as that I am putting in work today a 40-yard piece that should be a duplication of the sam is attached to your letter.

Is it now possible to tell the customs that we are making it and we can sow it to their customer in ten days time although undoubtedly he will not be pleased with the price compared to the price that he can buy it for in Japan if he can get it in under the exact item.

I feel however, that it would be just hopeless to open this exact item up to suggesting like this.

Very respectfully yours."

Then another letter in the same exhibit, 705, from Douglas Mallum to P. K. Watson, dated March 27, 1944:

"Dear Mr. Watson,

I am holding up an answer to Ottawa re Hobated Twill until I can get a sample from you. Please let me have a sample when ready."

Then another letter in the same exhibit, 706, from Watson to Douglas Mallum, dated March 29, 1944:

"Dear Sir:

I am sending you enclosed a boiled-off sample of the Habutai Twill of which I am making you a proper length sample.

This will give you some idea of how easily it can be produced although this sample is not anything like the finished merchandise will be and if you do not think it is of nice enough looks to show we will have the sample in very short order for you."

That is the end of Exhibit 703. Now I return to Exhibit 798, which continues with a letter from Douglas Hallam to L. F. Jackson, Department of National Revenue, dated March 28, 1934:

"Dear Sir: File No.86550, G.F. 2H

In reply to your letter of Feb. 22nd, attached is a sample No.1, of Habutai Twill in the boiled-off stage which can be finished to exactly duplicate the sample you sent us. Also attached is sample No.2, another Habutai Twill.

We would suggest that you advise the enquirer for this type of material to get in touch with Grout's Limited, St. Catharines, Ont., and Bruck Silk Mills, Montreal."

Then a letter ax from the Commissioner of Customs to Silks Limited dated March 31, 1934:

"Gentlemen:

With reference to your letters of the 16th and 19th February in respect to the application of dumping duty to importations

"Dear Sir:

I am sending you enclosed a boiled-off sample of the Rebated Twill of which I am making you a proper length sample.

This will give you some idea of how easily it can be produced although this sample is not anything like the finished merchandise will be and if you do not think it is of nice enough loom to show we will have the sample in very short order for you."

That is the end of Exhibit 708. Now I return to Exhibit 798, which continues with a letter from Douglas Fellows to L. M. Jackson, Department of Railway Transport, Ottawa, Ont., 1944:

"Dear Sir: File No.86550, C.F. 24

In reply to your letter of Feb. 22nd, attached is a sample No.1, of Rebated Twill in the boiled-off stage which can be finished to exactly duplicate the sample you sent us. Also attached is sample No.2 showing Jacquard Twill.

We would suggest that you give the order for this type of a trial to get in touch with Grout's Limited, St. Catharines, Ont., and Frank Silk Mills, Montreal."

Then a letter ex from the Commissioner of Customs to Gilles dated March 31, 1944:

"Gentlemen:

With reference to your letters of the 14th and 16th February in respect to the

5

10

15

20

25

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of Habutai Twill fabric as per sample submitted, imported for the manufacture of scarfs,-

From information before the Department Habutai Twill, as per sample, is of a class or kind manufactured in Canada by Grout's Limited, St. Catharines, Ont., and Bruck Silk Mills, Montreal.

Yours truly

for Commissioner of Customs."

The next is a letter from Douglas Hallam to L. F. Jackson, Department of National Revenue, dated April 25, 1934:

"Dear Sir: File No.86550
G.F. 2H

I find that I have in my office a sample of Habutai Twill made in Canada. --"

THE COMMISSIONER: He"finds" ?

MR. McRUER: Yes, it has just drifted in accidentally. The letter continues:

"I am attaching this to supplement my letter to you of March 28th, 1934, on this subject.

Yours faithfully,

Douglas Hallam"

THE COMMISSIONER: What is the date of that letter?

MR. McRUER: April 25, 1934, my lord.

BY MR. McRUER: Q. Mr. Hooper, can you tell me, from that date to this, has Habutai silk been regarded as a class or kind made in Canada?

A. Yes.

of rabbit Twill fabric as per sample submitted, imported for the manufacture of scarfs.-

From information before the Department Ministry Small, as per above, is of a clean or kind manufactured in Canada by Grant's Limited, St. Catharines, Ont., and Lucas Mills Mills, Montreal.

Yours truly

for Commissioner of Customs.

The next is a letter from Douglas Williams to J. T. Jackson, Department of National Revenue, dated April 23, 1944:

"Dear Sir:

I find that I have in my office a sample of Rabbit Twill made in Canada. --"

Mr. Bryden: Yes, it has just drifted in accidentally. The letter continues:

"I am attaching this to my memorandum of letter to you of March 28th, 1944, on this subject.

Yours Sincerely,

Douglas Williams

The Commissioner: What is the date of the letter?

Mr. Bryden: Yes, so look.

Mr. Heap: Mr. Heap, can you tell us from any data to this, has Rabbit skin been imported in quantities or kind made in Canada?

A. Yes.

Q. For the purpose of the application of the customs duty? A. Yes. It had been prior to that too.

Q. It had been declared of a class or kind made in Canada prior to this? A. Yes.

Q. And after the application of Silks Limited that ruling was, as you suggest, followed? A. Yes. It should be pointed out that the correspondence may not have anything to do with the ruling of the department because the silks were held to be of a class or kind made in Canada.

Q. Held to be of a class or kind made in Canada, irrespective of whether they were made in Canada? A. I wont answer that.

Q. Well, at any rate, Silks Limited here had put the question right up to the department for a ruling, that this was of a class or kind not made in Canada? A. I think the object of the correspondence by the department was to ascertain the source of supply.

Q. Yes, but as far as you know, was it disclosed to the department that this was a special piece made up for the purpose of answering the department? A. All the correspondence is on the file, and that is all we know.

Q. There is certain memoranda that is referred to in this correspondence, and one is item 580. A. Memorandum 580.

THE COMMISSIONER: What is this?

MR. McRUER: It is departmental memorandum 580.

THE COMMISSIONER: Is this something new?

MR. McRUER: Yes.

Q. For the purpose of the application of the customs duty? A. Yes. It had been prior to that [illegible].

Q. It had been declared of a class or kind made in Canada prior to this? A. Yes.

Q. And after the application of silks limited that ruling was, as you suggest, followed?

A. Yes. [illegible]

correspondence may not have anything to do with the ruling of the department because the silks were held to be of a class or kind made in Canada.

Q. Held to be of a class or kind made in Canada, irrespective of whether they were made in Canada? A. I must answer that.

Q. Well, at any rate, silks limited here had put the question right up to the department for a ruling, that this was of a class or kind not made in Canada? A. I think the object of the correspondence by the department was to ascertain the source of supply.

Q. Yes, but as far as you know, was it disclosed to the department that this was a special place made up for the purpose of answering the department? A. All the correspondence is on the file, and that is all we know.

Q. There is certain memoranda that is referred to in this correspondence, and one in June 1920. [illegible]

THE COMMISSIONER: What is this?

MR. McGUIRE: It is departmental memorandum 580.

THE COMMISSIONER: Is this something new?

MR. McGUIRE: Yes.

THE COMMISSIONER: It is a departmental memorandum?

MR. McRUER: Re Tariff Item 564. Re tariff item 564:

"Woven fabrics, of a kind not made in Canada, wholly, or in chief part, by weight, of silk or artificial silk, or both, imported in the web in lengths of not less than five yards each by manufacturers of neckties, scarves, or mufflers, for use exclusively in the manufacture of such articles in their own factories,

British Preferential Tariff	17½ p.c.
Intermediate Tariff	20 P.c.
General Tariff	20 p.c.

Effective this date, it is ruled that, until otherwise determined, the following fabrics are entitled to entry under tariff item 564 as being of a kind not made in Canada, when otherwise complying with the provisions of the item, viz.:-

For manufacture into Neckties, and for no other purpose:

Fabrics, not exceeding 25" in width, to have at least one natural selvedge and to be either plain dyed or with all-over designs; also printed fabrics known as English foulards, not exceeding 37" in width with a twill weave.

For manufacture into Scarves and Mufflers and for no other purpose:

Fabrics, designed specially for manufacture into scarves and mufflers only, provided

"Woven fabrics, of a kind not made in Canada, wholly, or in chief part, by weight, of silk or artificial silk, or both, imported in the web in lengths of [illegible] yards each by manufacturers of knitting, weaving, or machinery, for [illegible] in the manufacture of articles in their own factories of such articles ..... 17½ p.c.

Cotton Fabrics ..... 20 p.c.

General Tariff ..... 30 p.c.

Effective this date, it is ruled that until otherwise determined, the following fabrics are entitled to enter under tariff item 564 as being of a kind not made in Canada, when otherwise complying with the provisions of the item, viz.:-

For manufacture into knitting, and for use [illegible]

[illegible]

Whereas, not exceeding 60" in width, in pieces of 12 yards and [illegible] or other plain dyed or with allowed [illegible] plain printed fabrics known as [illegible] Canada, but excluding 60" in width with [illegible] rolls [illegible]

For manufacture into [illegible] and for [illegible]

fabrics, designed specially for [illegible] Raw Jute Matting and muffleys only, prov

"that when such designs are printed or painted the fabric must be of a jacquard weave, or the fabric must be that known as English foulard 35" to 37" in width with a twill weave.

In cases of doubt, Collectors are instructed to submit samples to the Department, in order to ensure uniform administration.

This ruling cancels all those previously issued regarding the kind of woven fabrics that may be entered under tariff item 564, and it is to be clearly understood that fabrics not herein provided for are not to be allowed entry under the provisions of the said item."

Page 11649 follows.

"that when such designs are printed or painted the fabric must be of a jacquard weave, or the fabric must be that known as English tonlard 55" to 27" in width with a twill weave.

In cases of doubt, Collectors are instructed to submit samples to the Department, in order to ensure uniform administration.

This ruling cancels all those previously issued regarding the kind of woven fabrics that may be entered under tariff item 564, and it is to be clearly understood that fabrics not herein provided for are not to be allowed entry under the provisions of the said item."

THE COMMISSIONER: What is the date of that?

MR. McRUER: October 27, 1932. Apparently what Silks Limited had asked first was for a ruling that habutai might come in under this classification as described in this memorandum.

THE WITNESS: Yes.

BY MR. McRUER: Q. That was ulred out? A. Yes.

Q. And then they wanted it to be ruled as of a class or kind not made in Canada, so as to avoid the duty? A. Yes.

Q. That is the substance of it. The Silk Association submitted a brief to the department or to the government, did they not, in August , 1930, of representations they wished to make in regard to alterations in the tariff? A. Yes.

Q. This is Exhibit 455.

THE COMMISSIONER: It is in.

MR. McRUER: This is Exhibit 455, and on page 4 there is a reference to item 560:

"Item 560: Goods in the gum for dyeing and finishing enter under this item. It is suggested that this item be restricted to goods of a class or kind which cannot be commercially produced in Canada at present, which are agreed upon by the dyers and broad silk weavers as being: 'Woven fabrics generally known as Habutaes, Pongees and Fugis, and fabrics before degumming seventpounds or less to the hundred yards, composed wholly of silk in the gum, boiled off, degummed, not degummed,

The Commissioner: What is the date of that?

Mr. [illegible] By June. Approximately that first stated that was for a ruling that material might come in under this classification as described in this memorandum.

The Witness: Yes.

By Mr. Mulkey: Q. Then was mined out?

A. Yes.

Q. And then they wanted it to be ruled as to a class or kind not made in Canada, so as to avoid the duty? A. Yes.

Q. What is the substance of it. The Silk Association submitted a brief to the department or to the government, did they not, in August, 1930, of representations they wished to make in regard to alterations in the tariff? A. Yes.

Q. This is Exhibit 455.

The Commissioner: It is in.

Mr. Mulkey: This is exhibit 455, and on page 4 there is a reference to item 560:

"Item 560: Goods in the gum for dyeing and finishing enter under this item. It is suggested that this item be restricted to goods of a class or kind which cannot be commercially produced in Canada at present, which are agreed upon by the dyers and broad silk weavers as being: 'woven fabrics commonly known as brocades, damasks and Paris, sue fabrics before dyeing under commons or less to the numbered grade, composed wholly or silk in the gum, boiled off, degummed, not degummed,

bleached, not less than 20 inches in width imported for the purpose of being degummed or dyed and finished in Canada.'

The above wording gives the intent of the industry and if the wording is not satisfactory for appraisal purposes the industry desires the intent to be carried out.

Such goods could be put on the free list, entered at the same rate of duty as at present, or increased by 5 per cent ad valorem for revenue purposes, as the government sees fit.

Alterations in rates and items are attached, and as listed show the intent of the industry, while the industry asks to be carried out along any lines of rewording or simplifying the schedule."

THE COMMISSIONER: Is there a date for that?

MR. McRUER: Yes, August 30, 1930.

BY MR. McRUER: Q. Now Mr. Hooper, will you explain, please, what is the purport of that request? Tell us the effect in so far as the administration of the Customs Act is concerned. A. As they state there, those goods in the finished state could not be produced commercially and they suggest of request that the goods in the gum be permitted entry at a low rate of duty so that they could be degummed and finished in Canada.

Q. So in the first place they made the statement to the government that they could not be produced commercially in Canada A. Yes, they

bleached, not less than 20 inches in width imported for the purpose of being dyed or dyed and finished in Canada.'

The above wording gives the intent of the industry and if the wording is not satisfactory for commercial purposes the industry desires the intent to be carried out.

Such goods could be put on the free list, entered at the same rate of duty as at present, or increased by 5 per cent ad valorem for revenue purposes, as the government sees fit.

Alterations in rates and items are attached, and as listed show the intent of the industry, while the industry says to be carried out along any lines of rewording or simplifying the schedule."

THE COMMISSIONER: Is there a date for that?

MR. MORRIS: Yes, August 30, 1930.

BY MR. McGUIRE: Q. Now Mr. Moore, will you please, please, tell us the effect of that request? Tell us the effect in so far as the administration of the Customs Act is concerned.

A. As they state there, those goods in the finished state could not be produced commercially at the present duty, except that they could be permitted entry at a low rate of duty so that they would be dyed and finished in Canada.

Q. Is in the first place does the statement of the government that they could not be produced commercially in Canada, Mr. Moore,

say "which cannot be commercially produced."

Q. Yes. Was any action taken with regard to admission of the goods in the gum?

A. Yes, item 560 was continued. It provides for the entry of light weight fabrics, seven pounds or less to the hundred yards.

Q. Have you got for me the statement of importations under that item? A. Yes.

Q. This is the statement of importations of woven fabrics entitled to entry under item 560.

A. Yes.

Q. It reads as follows --

THE COMMISSIONER: You said item 560.

MR. McRUER: Yes, my lord. These would be Habutaes, Pongees and Fugis.

THE COMMISSIONER: The departmental memo you read a few moments ago had to do with item 564.

THE WITNESS: Yes, my lord, that referred to mufflers and ties.

BY MR. McRUER: Q. As I understand it, the request here was this: "We cannot produce habutai Silk in Canada in commercial quantities, but we ask that you let Habutai, Pongees and Fugis in in the gum under this lower rate of duty for further finishing in Canada". A. Yes.

BY THE COMMISSIONER: Q. Would that mean, if that request was acceded to, that it would then become commercially possible to produce the article in Canada? A. Produce the finished article, that is, the printed or piece dyed fabric.

BY MR. McRUER: Q. This statement shows what the industry did with regard to importations of Habutai in the gum, what advantage they took of that privilege? A. Before going into that I

any "which cannot be commercially produced."

Q. Yes. Has any action been taken with regard to admission of the goods in the year?

A. Yes, item 560 was continued. It provides for the entry of light weight fabrics, seven pounds or less to the hundred yards.

Q. Have you got for me the statement of importations under that item? A. Yes.

Q. This is the statement of importations of woven fabrics entitled to entry under item 560.

A. Yes.

Q. It reads as follows --

THE COMMISSIONER: You said item 560.

MR. MOLOD: Yes, my lord. These would be Habutaes, Foulards and Twills.

THE COMMISSIONER: The departmental memo you read a few moments ago had to do with item 564.

THE WITNESS: Yes, my lord, that referred to muffers and ties.

BY MR. MOLOD: Q. As I understand it, the [illegible] silk in Canada in commercial quantities, but we ask that you let Habutai, Foulards and Twills in in the gum under this lower rate of duty for further finishing in Canada". A. Yes.

BY THE COMMISSIONER: Q. Would that mean, if that request was acceded to, that it would then become commercially possible to manufacture silk in Canada? A. Produce the finished article, that is, the printed or piece dyed fabric.

BY MR. MOLOD: Q. This statement shows what the industry did with regard to importations of Habutai in the gum, what advantage they took of

would like to show the difference between item 560 prior to September 17, 1930, because the importations were considerably higher in 1930 than subsequently. In 1928 until the September 17, 1930, item 560 provided for:

"Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed or bleached, not less than 20 inches in width, imported for the purpose of being degummed, dyed and finished in Canada."

On the 17th of September, 1930, this item, still 560, read:

"Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed nor bleached, not less than 20 inches in width weighing not more than seven pounds for each hundred yards thereof, imported for the purpose of being degummed, dyed and finished in Canada."

The change is that this item was restricted to light weight fabrics in 1930.

Q. In 1930 it was restricted to light weight fabrics? A. Yes.

MR. McRUER: This will be a new Exhibit, my lord.

THE COMMISSIONER: Oh, a different exhibit. That is the statement you have just referred to?

MR. McRUER: Yes.

THE COMMISSIONER: It will be Exhibit 799.

MR. McRUER: It reads as follows:

would like to show the difference between item 560 prior to September 17, 1930, because the importations were considerably higher in 1930 than subsequently. In 1928 until xxx September 17, 1930, item 560 provided for:

"Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed or bleached, not less than 20 inches in width, imported for the purpose of being degummed, dyed and finished in Canada."

On the 17th of September, 1930, this item, until 560, read:

"Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed nor bleached, not less than 20 inches in width weighing not more than seven pounds for each [illegible], imported for the purpose of being degummed, dyed and finished in Canada."

The change is that this item was restricted to light weight fabrics in 1930.

Q. In 1930 it was restricted to light weight fabrics? A. Yes.

MR. BOURGET: This will be a new exhibit, my lord.

[illegible]: Q. [illegible] what is the statement you have just referred to? A. [illegible] Yes.

THE COMMISSIONER: It will be exhibit 799.

MR. BOURGET: It reads as follows:

STATEMENT OF IMPORTATIONS OF WOVEN FABRICS ENTITLED TO ENTRY UNDER TARIFF ITEM 560

Fiscal Year	Yd.
1930-&1931	2,497,478
1931-1932	408,537
1932-1933	51,454
1933-1934	41,565
1934-1935	76,783
1935-1936	73,952
April 1 to Sept. 30, 1936	66,965.

BY MR. McRUER: Q. What do you say as to whether before the change Habutai had been a fabric that had been imported into Canada in quite a large way? A. I believe it had.

Q. And the statement shows an importation of 2,400,000 yards in the fiscal year 1930-31. You mean that before the change in the tariff in1930 Habutai had been imported into Canada ? A. Yes.

MR. KELLOCK: I would point out that the figure for 1930-31 includes a lot more than Habutai I am referring to Exhibit 799.

THE WITNESS: Oh yes.

BY MR. McRUER: Q. That is all of the items? A. Yes, you have heavier weight fabrics in that.

Q. I also asked you to ascertain if there was correspondence on the file in regard to other fabrics in respect to which rulings were requested on the subject of whehter they were of a class or kind made in Canada and as to which rulings had been made? A. Yes.

STATEMENT OF IMPORTATIONS OF WOVEN WOOLLEN FABRICS INTO CANADA

FISCAL YEAR	YR.
1980-81	[illegible]
1981-1982	[illegible]
1982-1983	[illegible]
1983-1984	[illegible]
1984-1985	[illegible]
1985-1986	[illegible]
April 1 to Sept. 30, 1986	[illegible]

BY MR. MORDEN: Q. What do you say as to whether before the change Rebatel had been a fabric that had been imported into Canada in quite a large way? A. I believe it had.

Q. And the statement shows an importation of 2,400,000 y ards in the fiscal year 1980-81. You mean that before the change in the tariff in 1980 Rebatel had been imported into Canada? A. Yes.

MR. MORDEN: I would point out that the figure for 1980-81 increases a lot more than Rebatel. I am referring to Exhibit 799.

THE WITNESS: Oh yes.

BY MR. MORDEN: Q. That is all of the items? A. Yes, you have heavier weight fabrics in that.

Q. I also asked you to ascertain if there was correspondence on the file in regard to other fabrics in respect to which rulings were requested on the subject of whether they were of a class or kind made in Canada and as to which rulings had been made? A. Yes.

Q. And you have produced departmental correspondence in regard to cotton crepe? A. Yes.

MR. McRUER: This will be a separate Exhibit my lord.

THE COMMISSIONER: It will be 800. What is it?

MR. McRUER: It is departmental correspondence in regard to cotton crepe, correspondence with different firms engaged in the textile industry. The first is a letter dated April 12, 1932, from the Commissioner of Customs to the Dominion Textile Company:

"Gentlemen:

Subject: Cotton Crepe

Please refer to 86550 G.F. 1L

I am enclosing herewith a small sample of cotton crepe for your advice as to whether your firm is at present manufacturing in Canada a fabric which ought to be held as being of a class or kind manufactured in Canada.

If not manufactured by your firm, please submit the names of the manufacturers which, to your knowledge, might be interested in such a product."

Q. And you have produced departmental correspondence in regard to cotton crepe? A. Yes.

MR. MORAH: This will be a separate exhibit Mr. Lett.

THE COMMISSIONER: It will be 600. What is it

MR. MORAH: It is departmental correspondence in regard to cotton crepe, correspondence with different firms engaged in the textile industry. The first is a letter dated April 18, 1928, from the Commissioner of Customs to the Dominion Textile Company:

"Gentlemen:

Subject: Cotton Crepe

Please refer to 66950 E.F. 11

I am enclosing herewith a small sample of cotton crepe for your advice as to whether your firm is at present manufacturing in Canada a fabric which ought to be held as being or a class or kind manufactured in Canada.

If not manufactured by your firm, please submit the names of the manufacturers which, to your knowledge, might be interested in such a product."

The next is a letter from Montreal Cottons to the Department of National Revenue, dated April 16, 1932:

"Dear Sirs:

Your favour of the 12th, addressed to the Dominion Textile Company, reference 86550 G.F. 1L, subject Cotton Crepe, has been forwarded to us.

We wish to thank you for the inquiry which is having immediate attention, and we will take pleasure in writing you further by a later mail."

Next is a letter from Montreal Cottons to the Department of National Revenue, dated April 27, 1932:

"Supplementing ours of the 16th and referring to yours of the 12th, reference file 86550 G.F. 1L, we are pleased to advise that we are fully equipped to manufacture all cotton crepe as sample you so kindly submitted with your letter.

We trust this is the information you require, and remain,

Yours very truly"

The next is a letter from the Commissioner of Customs to Montreal Cottons, dated April 30, 1932:

"Gentlemen:

Referring to this department's letter, under date of the 12th instant, regarding the above subject, and your two letters of the 16th and 27th instant, you are requested to please state if you have already manufactured in Canada cotton crepe as per sample submitted

to the Department of National Revenue, dated April 16, 1922:

"Dear Sirs:

Your favour of the 12th, addressed to our Quality Control Department, referring 8580 G.F. 12, subject Cotton Crepe, has been forwarded to us.

We plan to thank you for the inquiry which is having immediate attention, and we will take pleasure in writing you further by a later mail."

Next is a letter from Montreal Cottons to the Department of National Revenue, dated April 27, 1922:

"Supplementing ours of the 16th and referring to yours of the 13th, reference file 8580 G.F. 12, we are pleased to advise that we are fully equipped to manufacture all cotton crepe as sample you so kindly submitted with your letter.

We trust this is the information you require, and remain,

Yours very truly,"

The next is a letter from the Commissioner of Customs to Montreal Cottons, dated April 20, 1922:

"Gentlemen:

Referring to this department's letter, under date of the 12th instant, regarding the above subject, and your two letters of the 16th and 27th instant, you are requested to furnish also, if you have already manufactured in Canada cotton crepe as per sample submitted

and, if so, please submit the names of your largest customers and the dates of delivery."

The next is a letter dated May 2, 1932, from Montreal Cottons to the Department of National Revenue:

"Replying to yours of the 30th ult., 86550, G.F. 1L, we have manufactured cotton crepe, but not exactly as the sample submitted by you.

Cotton crepes have been very inactive for several years past, the principal demand being for silk or artificial silk crepes, but there appears to be a tendency at the moment to return to cotton crepes.

We hope this answers your inquiry satisfactorily, and remain,

Yours truly,"

BY MR. McRUER: Q. Mr. Hooper, can you tell me whether at this time cotton crepes had been ruled as of a class or kind made in Canada--this was in May, 1932 ? A. That is the start. I do not think it was of a class or kind up to that time, but I would not say definitely.

Q. You do not know definitely? A. No.

Q. The next is a letter from the Commissioner of Customs to Montreal Cottons dated May 6, 1932:

"Gentlemen: Subject: Cotton Crepe

Referring to this department's letter of April 12th and 30th and your answer of the 2nd instant in connection with cotton crepe, as per sample submitted to you,

and, if so, please submit the names of your largest customers and the dates of delivery.

The next is a letter dated May 2, 1942, from Montreal Cotton to the Department of National Revenue:

"Replying to yours of the 30th ult., 6830, C.I. 18, we have manufactured cotton crepe, but not exactly in the manner submitted by you.

Cotton crepe has been very inactive for several years past, the related demand being for silk or artificial silk crepes, but there appears to be a tendency at the moment to return to cotton crepes.

We hope this answers your inquiry satisfactorily, and remain,

Yours truly,"

Q Mr. Graham: Q. Mr. Cooper, can you tell us whether at this time cotton crepes had been ruled as of a class or kind made in Canada--this was in May, 1942? A. That is the answer. I do not think it was of a class or kind up to that time, but I would not say definitely.

Q. You do not know definitely? A. No.

Q. The next is a letter from the Commissioner of Customs to Montreal Cotton dated July 4, 1942:

"Dear Sir:

Referring to this Department's letter of April 13th and 30th and your answer of May 1st, I enclose with this letter crepe, as per sample submitted to you.

you

You are requested to advise this office whenever your firm will be manufacturing cotton crepe in commercial quantities, in order to keep our records up to date."

Then on May 6, 1932 --

THE COMMISSIONER: That is the same date?

MR. McRUER: Yes, there was a letter from the Commissioner of Customs to Gault Bros. Ltd., 361 Water Street, Vancouver:

"Gentlemen: Subject: Cotton Crepe

Referring to your letter of the 4th ultimo in connection with certain importations of cotton crepe from Japan and further to this department's letter of the 30th March last,-

I wish to advise that this question has now been further investigated and on the advice of this department's Textile Adviser, it is held that cotton crepe, as per sample submitted by your firm, is, for the time being, considered as being of a class or kind not manufactured in Canada.

Your refund claim in connection with Vancouver Entry No.37659 will, therefore, be in order."

It had been ruled after the first letter --

A. As of a class or kind made in Canada.

BY THE COMMISSIONER: Q. When had that been ruled? A. After they had received Montreal Cottons' letter saying they made it.

Q. Montreal Cottons' letter was of May 2, and said they were equipped to make it in Canada?

"You are requested to advise this office whether your firm will be manufacturing cotton crepe in commercial quantities, in order to keep our records up to date."

Then on May 6, 1962 --

MR. COMMISSIONER: Not in the same date?

A. HOOPER: Yes, there was a letter from the Commissioner of Customs to Dault Bros. Ltd., 601 Water Street, Vancouver:

"Gentlemen:

Further to your letter of June 4th, 1962 in connection with certain importations of cotton crepe from Japan and further to this department's letter of the 20th January, 1962, --

I wish to advise that this question has now been further investigated and on the advice of this department's Textile Division, it is held that cotton crepe, as per sample submitted by your firm, is, for the time being, considered as being of a class or kind not manufactured in Canada.

Your refund claim in connection with Transport Entry [illegible], Vancouver, be in order."

It had been ruled after the first letter --

A. As of a class or kind made in Canada.

BY THE COMMISSIONER: Q. When had that been ruled?

A. After they had received Montreal Cottons' letter saying they made it.

Q. Montreal Cottons' letter was of May 8, said they were equipped to make it in Canada?

A. Yes. There must be another letter in between there.

Q. This is only four days after the other letter, May 6, this letter which says it is not of a class or kind made in Canada, and we want to give you a refund.

MR. McRUER: There must have been a prior ruling that it was of a class or kind made in Canada. Will you make a memo., Mr. Hooper, to look up the letter of April 4, 1932, and the letter of March 30 ?

(Page 11662 follows)

Hooper

A. Yes. There must be another letter in between them.

Q. This is only four days after the other letter, May 6, this letter which says it is not of a class or kind made in Canada, and we want to give you a quote.

Mr. MANNER: There must have been a prior ruling that it was of a class or kind made in Canada. Will you make a memo., Mr. Hooper, to look up the letter of April 4, 1952, and the letter of March 20 ?

(Two first exhibits)

Q. You see, that is correspondence with Gault Bros.? A. Yes.

Q. It would be -- A. 1932.

Q. It would probably be on that file .

BY THE COMMISSIONER: Q. I presume Gault Bros. are importers ? A. Yes, my lord.

MR.McRUER: They evidently had paid the duty to which they were entitled to a refund. Then, the next is a letter from Montreal Cottons to the Department of Natio al Revenue dated the 4th of July, 1932.

"Dear Sirs,

Your letter of May 6th, regarding Cotton Crepe appears to have been inadvertently mislaid.

"We now beg to advise you that we are actually producing, in commercial quantities, cotton crepe in exact duplication of the quality referred to in this correspondence."

The next is a letter from the Commissioner of Customs to Gault Bros. dated the 7th of July, 1932.

"Referring to departmental letter of the 6th May last, you are advised that from information now before the Department, Cotton Crepe, as per sample submitted by you in connection with Vancouver Entry No. 37659, Refund Claim No. 12247, is from this date of a class or kind manufactured in Canada by the Montreal Cottons Limited, Montreal,"

BY THE COMMISSIONER: Q. What becomes of the application for a refund ? A. That was granted,my

Q. You see, that is correspondence with regard to A. Yes.

Q. (Q. cont'd) Yes. YES.

A. It would probably be on that file.

BY THE COMMISSIONER: Q. I presume Gault Bros. are importers? A. Yes, my lord.

MR. MARUSH: They evidently had paid the duty to which they were entitled to a refund. Then, the next is a letter from Montreal Cotton to the Department of Municipal Revenue dated the 4th of July, 1922.

"Dear Sirs,

Your letter of May 6th, regarding Cotton Crepe appears to have been inadvertently mislaid.

"We now beg to advise you that we are actually producing, in commercial quantities, cotton crepe in exact duplication of the quality referred to in this correspondence."

The next is a letter from the Commissioner of Customs to Gault Bros. dated the 7th of July, 1922.

"Referring to departmental letter of the 6th May last, you are advised that from information now before the Department, Cotton Crepe, as per sample submitted by you in connection with Memorandum dated Mr. Ayers, Gault Bros. No. 1224?, is from this date of a class or kind manufactured in Canada by the Montreal Cotton Limited, Montreal."

BY THE COMMISSIONER: Q. That becomes of the application for a refund? A. Does not appear, my

lord,

Q. That meant then that this new ruling only took effect after -- A. As of the date of issuance.

Q. In July ? A. Yes.

MR. McRUER: Then, a letter dated the 7th of July, 1932, my lord --

THE COMMISSIONER: Two letters of the same date ?

MR. McRUER: Yes, my lord, Subject: Cotton Crepe.

"Referring to departmental letter of the 6th May last, you are advised that from information now before the Department, Cotton Crepe, as per sample subkitted by you in connection with Vancouver Entry No. 37659, Refund Claim No.12247, is f from this date of a class or kind manufactured in Canada by the Montreal Cottons Limited, Montreal."

A. That is what you read before

Q. There must be two letters with exactly the same date, I mean, two letters exactly the same. At any rate, the next is a letter dated the 11th of July, 1932, from Gault Brothers to Montreal Cottons Limited, Attention Mr. Edgar Robertson.

"We are advised by the Department of National Revenue at Ottawa that you are making a crepe the same as has been imported from Japan. We are enclosing a sample of btoh white and colored. We would be pleased if you would kindly let us have by return, samples and prices of the cloth you are making."

Then, a letter from Gault Brothers to the Departmnt of National Revenue, Subject - Cotton Crepe, dated

Lord.

Q. That means then that this new ruling only h[illegible] effect after -- A. As of the date of issuance.

Q. In July? A. Yes.

MR. MORGAN: Then, a letter dated the 7th of July, 1932, my Lord --

THE COMMISSIONER: Two letters of the same date?

MR. MORGAN: Yes, my Lord, subject: Cotton Crepe.

"Referring to departmental letter of the 6th May last, you are advised that from information now before the Department, Cotton Crepe, as per sample submitted by you in connection with Vancouver Entry No. 37659, Refund Claim No.12847, is from this date of a class or kind manufactured in Canada by the Montreal Cottons Limited, Montreal.

A. That is what you read before

Q. There must be two letters with exactly the same date, I mean, two letters exactly the same. At any rate, the next is a letter dated the 11th of July 1932, from Gault Brothers to Montreal Cottons Limited Attention Mr. Edgar Robertson.

"We are advised by the Department of National Revenue at Ottawa that you are making a crepe the same as has been imported from Japan. We are enclosing a sample of both white and colo[illegible] We would be pleased if you would kindly let us [illegible] by return, a samples and prices of the [illegible] you are making."

[illegible], a letter from Gault Brothers to the Department of National Revenue, subject - Cotton Crepe, dated

July 27th, 1932.

"On rece ipt of your favor of the 7th instant advising us that the Montreal Cottons of Montreal, were now manuf cturing Cotton Crepe, we sent them samples of the lines we were importing and asked them for a quotation on same, but up to the present time we have had no reply so conclude they are not yet ready to quote, although they may be contemplating doing so in the future.

"On June 29th we placed an order in Japan for eight hundr d pieces of Cotton Crepe, after being advised by your Department that these goods were of a class or kind not made in Canada, and as these goods will arrive here in two shipments, part the first week in August and the balance early in September, which will naturally be months before the Montreal Cottons will be able to deliver, we would appreciate your advising your Department in Vancouver that for the purpose of clearing this shipment, they can be passed as a class or kind not made in Canada."

"Your kind attention will be appreciated."

The next is a letter from Montreal Cottons to W.E. Wright of Gault Brothers dated August, 1st, 1932.

"We apologise for delay in replying to yours of the 11th.

"We produce and have woven a cotton crepe similar to samples received with your letter, and our reason for not writing sooner was the hope of having finished samples to submit to you. These have been delayed however, due to unexpected

July 27th, 1922.

"On receipt of your favor of the 7th instant advising us that the Montreal Cottons of Montreal, were now manufacturing Cotton Crepe, we sent them samples of the lines we were importing and asked them for a quotation on same, but up to the present time we have had no reply so concluding they are not yet ready to quote, although they may be contemplating doing so in the future.

"On June 29th we placed an order in Japan for eight hundred pieces of Cotton Crepe, after being advised by your Department that these goods were of a class or kind not made in Canada, and as these goods will arrive here in two shipments part the first week in August and the balance early in September, which will naturally be months before the Montreal Cottons will be able to deliver, we would appreciate your advising your Department in Vancouver that for the purpose of clearing this shipment, they can be passed as a class or kind not made in Canada."

"Your kind attention will be appreciated."

"Yours truly in a letter from Dominion Rayons to W.A. Wright of Gault Brothers dated August, 1st, 1922.

"We apologize for delay in replying to yours of the 11th.

"We produce and have woven a cotton crepe similar to samples received with your letter, but our reason for not writing sooner was the hope of having finished samples to submit to you. Unfo

finishing difficulties, but further goods are in process and we expect shortly to be in a position to complete your enquiry."

Then, the next is a copy of a letter from the Commissioner of Customs to the Montreal Cottons dated the 5th of August, 1932, Subject: Cotton Crepe.

"I am in receipt of your letter of the 4th ultimo advising that you are producing in commercial quantities Cotton Crepe in exact duplication of the quality referred to in the departmental letter of the 6th May last.

".You are requested to submit samples of your manufacture and state the price at which you are prepared to supply the same commercially."

The next is a letter from Montreal Cottons to the Department of National Revenue dated the 25th of August, 1932,- Cotton Crepe. "Replying to yours of the 23rd" --

THE COMMISSIONER: Just a minute,what is the date?

MR.McRUER: The 25th of August, 1932. "Replying to yours of the 23rd, 86550 G.F.11" --

THE COMMISSIONER: You have not given me that of the 23rd, have you ?

MR. McRUER: I beg your lordship's pardon. I have one out of order here. I will read the one of the 23rd first.

THE COMMISSIONER: This is from the Department ?

MR. McRUER: From the Department to Montreal Cottons, yes.

"With further reference to your letter of the 4th ultimo advising that you are now actually pro-

making difficulties, but further goods are in process and we expect shortly to be in a position to complete your enquiry."

Then, the next is a copy of a letter from the Commissioner of Customs to the Montreal Cottons dated the 6th of August, 1922, subject: Cotton Crepe.

"I am in receipt of your letter of the 4th ultimo stating that you are producing in commercial quantities Cotton Crepe in exact duplication of the quality referred to in the department's letter of the 6th May last.

"You are requested to submit samples of your manufacture and state the price at which you are prepared to supply the same commercially."

The next is a letter from Montreal Cottons to the Department of National Revenue dated the 28th of August, 1922,- Cotton Crepe. "Replying to yours of the 22nd"

--

THE COMMISSIONER: Just a minute, what is the date?

MR.MORAN: The 28th of August, 1922. "Replying to yours of the 22nd, 8650 S.R.II" --

THE COMMISSIONER: You have not given me that of the 22nd, have you ?

MR. MORAN: I beg your Lordship's pardon. I have one out of order here. I will read the one of the 22nd first.

THE COMMISSIONER: This is from the department ?

MR. MORAN: Yes. The department to Montreal Cottons, Yes.

"With further reference to your letter of

during in commercial quantities Cotton Crepe in exact duplication of the quality referred to in previous correspondence with the Department,-

"Gault Bros. Ltd., Vancouver, enclose copy of their letter to you dated the 11th July stating that they were submitting samples, both white and coloured, of crepe as imported by them from Japan, held by this Department to be of a class or kind manufactured by your firm in Canada. They enclose also copy of a letter from your Sales Department dated the 1st August as follows:

'We apologize for delay in replying to yours of the 11th.

'We produce and have woven a cotton crepe similar to samples received with your letter, and our reason for not writing sooner was the hope of having finished samples to submit to you. These have been delayed, however, due to unexpected finsihing difficulties, but further goods are in process and we expect shortly tobe in a positio to complete your enquiry.'

"Kindly state whether your firm is yet in a position to furnish this fabric or a similar fabric commercially of Canadian manufacture."

Then, a letter of August 25th from Montreal Cottons to the Department of National Revenue, re Cotton Crepe.

"Replying to yours of the 23rd, 86550 G.F.11, we are very sorry to have to advise you that we have not yet had any success in obtaining satisfactory finished results in the material in question.

dealing in essential commodities during wartime
in exact duplication of the quality referred to
in previous correspondence with the Department.

"Yours truly, Ltd., Toronto, enclosed copy
of their letter to you dated the 11th July stating
that they were submitting samples, both white
and coloured, of crepe as imported by them
from Japan, held by this Department to be of a
class or kind manufactured by your firm in Canada.
They enclose also copy of a letter from your Tariff
Department dated the 1st August as follows:

"We apologize for delay in replying to yours
of the 11th.

"We produce and have woven a cotton crepe
similar to samples received with your letter, and
our reason for not writing sooner was the hope of
having finished samples to submit to you. These
have been delayed, however, due to unexpected
finishing difficulties, but finishes are now
in process and we expect shortly to be in a position
to complete your enquiry."

"Kindly advise whether your firm is yet in a
position to furnish this fabric or a similar fa-
bric commercially of Canadian manufacture."

Then, a letter of August 25th from Montreal Cottons to
the Department of National Revenue, re Cotton Crepe.

"Replying to yours of the 22nd, 83550
C.P.J.J., we are very sorry to have to advise you
that we have not yet had any success in obtaining
satisfactory finished results in the material in

"The matter is still having careful attention and study, but up to now we have not had results suitable for submission to Gault Bros., or other trade distributors, and have written our friends in Vancouver so advising them, for whatever action, under the circumstances, you may deem necessary or advisable."

Then, there is a reference to Damask Ticking which isn't part of this subject matter. Then, the next letter is dated the 29th of August, 1932, from the Commissioner of Customs to the Collector of National Revenue, Vancouver,

"I am in receipt of your letter of the 15th instant submitting refund claim your Port Entry No. 13549-A" --

THE COMMISSIONER: Q. Is that the old refund we have heard about ? A. Back on May 6th, my lord.

MR. McRUER: I think it must be another.

THE COMMISSIONER: Perhaps you had better read it first.

MR. McRUER: "I am in receipt of your letter of the 15th instant submitting refund claim your Port Entry No. 13549-A covering an importation of Cotton Crepe fabric by Gault Bros. Ltd., from Japan.

"It would appear that the information submitted to the Department as stated in Departmental letter of the 7th July, this file, was in error and that Cotton Crepe, as per sample submitted, is of a class or kind at present not

"The matter is still having careful attention and study, but up to now we have not had re ults suitable for submission to Gault Bros., or other trade distributors, and have written our friends in Vancouver so advising them, for whatever action, under the circumstances, you may deem necessary or advisable."

Then, there is a reference to Lacoste fleeing which isn't part of this subject matter. Then, the next letter is dated the 29th of August, 1938, from the Commissioner of Customs t o the Coll_ector of National Revenue, Vancouver:

"I am in receipt of your letter of the 16th instant submitting returns claim your rort entry No. 1554S-A" --

THE COMMISSIONER: Q. Is that the old refund we have heard about? A. Back on May 6th, my lord.

MR. MONCKS: I think it must be another.

THE COMMISSIONER: Perhaps you had better read it first.

MR.MONCKS: "I am in receipt of your letter of the 16th instant submitting refund claim your rort entry No. 1554S-A covering an importation of Cotton crepe fabric by Gault Bros. Ltd., from [illegible].

"It would appear that the information submitted to the Department as stated in Departmental letter of the 7th July, this file, was in error and that Cotton Crepe, as per sample submitted, is of a class or kind at present not

manufactured in Canada."

A. That would appear to be a later importation.

Q. Then, the next letter is dated the 19th of September, 1932.

THE COMMISSIONER: September ?

MR.McRUER: Yes, my lord.

THE COMMISSIONER: A letter from ?

MR. McRUER: From Montreal Cottons to the Department of National Revenue.

"We have been perusing its contents with interest, and to become a little bit familiar with them, which explains our delay in acknowledging yours of the 13th 173153, with pamphlet regarding 'Value of Cotton Fabrics'".

THE COMMISSIONER: You haven't that one ?

MR.McRUER: We haven't the one of the 13th, but I think it does not refer to this subject matter. It was enclosing that pamphlet that was got out by the Department ? A. The 13th of September ?

Q.Yes ? A. Yes.

Q. "Please accept our sincere thanks for having forwarded this.

"Cotton Crepe, which has been the subject of considerable correspondence between us: We enclose cutting of this number, as woven, dyed and finished by us, and might mention that our representative is at present in Vancouver, and will submit this fabric to Gault Bros., there, amongst others."

The next is a letter dated the 6th of October, 1932,

manufactured in Canada."

Q. That would appear to be a fairly impressive.

Q. Then, the next letter is dated the 12th of September, 1938.

THE COMMISSIONER: September ?

MR. MORLEY: Yes, my lord.

THE COMMISSIONER: A letter from ?

MR. MORLEY: From Montreal Cottons to the Department of National Revenue.

"We have been perusing its contents with interest, and to become a little bit familiar with them, which explains our delay in acknowledging yours of the 15th IVSLES, with pamphlet regarding 'Value of Cotton Fabrics'".

THE COMMISSIONER: Is that the one ?

MR. MORLEY: We haven't the one of the 15th, but I think it does not refer to this subject matter. It was enclosing that pamphlet that was got out by the Department ? A. The 15th of September ?

Q. Yes ? A. Yes.

Q. "Please accept our sincere thanks for having forwarded this.

"Cotton Crepe, which has been the subject of considerable correspondence between us: We enclose cutting of this number, as woven, dyed and finished by us, and might mention that our representative is at present in Vancouver, and will submit this fabric to Gault Bros., there, amongst others."

The next is a letter dated the 4th of December, 1938,

from the Commissioner of Customs to Montreal Cottons.

"I am in receipt of your letter of the 19th ultimo submitting sample of Cotton Crepe as woven dyed and finished by your firm in Canada.

"Similar material will now be held of a class or kind manufactured in Canada."

The next is a letter dated the 12th of December, 1932.

THE COMMISSIONER: Q. December ?

MR. McRUER: Yes, my lord, from the Commissionerof Customs to the Dominion Textiles -- Oh, I beg your pardon, no. The next is a letter dated the 2nd of February, 1933 from the Commissioner of Customs to Montreal Cottons.

"Referring to your letter of the 19th September last advising that Cotton Crepe as imported by Gault Bros., Vancouver, from Japan, was of a class or kind now manufactured in Canada by your firm and that you were advising Gault Bros. to that effect, -

"In respect to two importations by Gault Bros. in October last on which dumping duty has been applied, they state under date of the 6th January"-- We don't appear to have that letter. Just make a note of that, Mr. Hooper, the 6th of January, 1933.

"'We claim that these goods are not of a class and kind made in commercial quantities in Canada. Since our last claim on yourselves we have had considerable correspondence with Mr. Blair Gordon who is manager of the Montreal Cotton Company and we think they are prepared to admit that they cannot make them. However, it is a fact

from the Commissioner of Customs to Montreal Cottons.

"I am in receipt of your letter of the 10th ultimo submitting sample of Cotton Crepe as woven dyed and finished by your firm in Canada.

"Similar material will now be held of a class or kind manufactured in Canada."

The next is a letter dated the 12th of December, 1932.

THE COMMISSIONER: December ?

MR. McGUIRE: Yes, my Lord, from the Commissioner of Customs to the Dominion Textiles -- Oh, I beg your pardon, no. The next is a letter dated the 2nd of February, 1933 from the Commissioner of Customs to Montreal Cottons.

"Reference to your letter of the 14th instant.

Last advising th t Cotton Crepe as imported by Gault Bros., Vancouver, from Japan, was of a class or kind now manufactured in Canada by your firm and that you were advising Gault Bros. to that effect. -

"In respect to two importations by Gault Bros. in October last on which duty has been [illegible] they stated [illegible] Mr. Hooper, [illegible] don't appear to have that letter. Just make a note of that, Mr. Hooper, the 6th of January, 1933.

"We claim th t these goods are not of a class and kind made in commercial quantities in Canada. [illegible] last claim [illegible] manufacturers [illegible] with Mr. [illegible] who is manager of the Montreal [illegible] Company [illegible] they are prepared to admit that

that they are not making them at the present time and so we are entitled to the above amount.'"

THE COMMISSIONER: Just a minute, this must be a quotation ? A. That is a quotation, my lord.

MR. McRUER: It is a quotation from a letter --

THE COMMISSIONER: A letter from Gault Bros. ?

MR.McRUER: It is a quotation from a letter from Gault Brothers, yes, my lord.

"Kindly advise by return mail if Cotton Crepe, as per sample submitted to you on the 6th May last, is of a class or kind at present manufactured commercially by your firm in Canada."

The next is a letter dated the 14th of February from -- A. Mr. McRuer, was that letter a copy of a letter written to Dominion Textiles ?

Q. No, to Montreal Cottons ?- A. We would hot have -- they said the 6th of January, that is their letter, isn't it ?

Q. No, what this says is: "In respect to two importations to Gault Bros. in October last on which dumping duty has been applied, they state under date of the 6th January", and the Commissioner of Customs quotes from Gault Bros. letter to the Commissioner of Customs of the 6th of January ? A. Oh, yes.

Q. The next is a letter dated the 14th of February , 1933, from Montreal Cottons to the Commissioner of Customs.

"Yours of the 2nd, #86650 G.F.1.L, we beg to advise that we are not at the moment producing this material commercially.

"As soon as our position in this regard is

that they are not making them at the present time and so we are entitled to the above amount.'

THE COMMISSIONER: Just a minute, this must be a question ? A. That is a question, my lord.

MR. MORDEN: It is a question from a letter --

THE COMMISSIONER: A letter from Gault Bros. ?

MR. MORDEN: It is a question from a letter from Gault Brothers, yes, my lord.

"Kindly advise by return mail if Cotton Crop as per sample submitted to you on the 6th May last is of a class or kind at present manufactured commercially by your firm in Canada."

The next is a letter dated the 14th of February from Mr. Morden, was that letter a copy of a letter written to Dominion Textiles ?

Q. No, to Montreal Cottons ?- A. We would not have -- they said the 6th of January, that is their letter, isn't it ?

Q. No, what this says is: "In respect to two importations to Gault Bros. in October last on which dumping duty has been applied, they state under date of the 6th January", and the Commissioner of Customs quotes from Gault Bros. letter to the Commissioner of Customs of the 6th of January ? A. Oh, yes.

Q. The next is a letter dt d the 14th of February , 1955, from Montreal Cottons to the Commissioner of Customs.

"Yours of the 2nd, #66650 G.T.I.I, we beg to advise that we are not at the moment producing this material commercially.

changed, we will notify you promptly."

The next is a letter from the Commissioner of Customs to the Collector of National Revenue, Vancouver, dated the 24th of February, 1933.

THE COMMISSIONER: Just a minute, what is the date ?

MR.McRUER: The 24th of February, 1933.

"I am in receipt of your letter of the 24th ultimo submitting Refund Claims Nos. 16305-6 covering importations of Japanese Cotton Crepe imported by Gault Bros. Ltd., Vancouver, B.C.

"From information before the Department, Cotton Crepe, as per sample submitted with your letter of the 1st March, 1932, is of a class or kind at present not manufactured in Canada and Refund Claims may be certified accordingly. This cancels Departmental letter of the 6th October."

The next is a letter from the Commissioner of Customs to Montreal Cottons dated the 5th of March, 1935.

" Kindly refer to your letter to this Department under date of the 23rd February, 1933, and previous correspondence relative to the above subject.

"Will you please advise this Department at the earliest possible date whether Cotton Crepe, per sample I enclose herewith, is of a class or kind now manufactured commercially by your firm, or is the situation the same as when you wrote the Department on the above mentioned date."

The next is a letter dated the 7th of March, 1935 from

Second, re Millinery Co. complaint:-

The next is a letter from the Commissioner of Customs to the Collector of National Revenue, Vancouver, dated the 24th of February, 1928.

THE COMMISSIONER: Just a minute, what is the date?

MR. MORRISON: The 24th of February, 1928.

"I am in receipt of your letter of the 24th ultimo submitting entry Claims Nos. 1880G-5 covering importations of Japanese Cotton Crepe imported by Canada Corp. Ltd., Vancouver, B.C.

"From information before the Department, cotton Crepe, as per sample submitted with your letter of the 1st March, 1928, is of a class or at present not manufactured in Canada and Entry Claims may be certified accordingly. This course Departmental letter of the 6th October."

The next is a letter from the Commissioner of Customs to the Collector of National Revenue, Vancouver, B.C.

"Kindly refer to your letter to this Department under date of the 22nd February, 1928, and previous correspondence relative to the above subject.

"Will you please advise this Department at the earliest possible date whether Cotton Crepe, per sample I enclose herewith, is of a class or kind now manufactured commercially by your firm, or is the situation the same as when you wrote the Department on the above mentioned date."

The next is a letter dated the 7th of March, 1928,

the Dominion Textile to the Department of ational Revenue.

THE COMMISSIONER: Dominion Textile ?

MR.McRUER: Yes, my lord, re Cotton Crepe.

"We wish to thank you for your favour of the 5th and might state that the conditions regarding this quality are the same as per our letter of February 23rd, 1933."

Now, Mr. Hooper, the Department ruling as it apparently did from time to time that this fabric, cotton crepe, was of a class or kind made in Canada, these rulings would go out, would they, to the various customs'ports? A. No, in that case it would only go to Vancouver, I believe. It would go to the Check Branch.

Q. Pardon ? A. It would go to the Check Branch.

Q. What is the Check Branch ? A. All entries and invoices that have been passed at the different ports come to this Division and are checked there by clerks as to the rates of duty, any departmental rulings, values.

Q. Well, any one wishing to call up -- any one engaged in this business and wishing to use in his trade, or to import for sale cotton crepe during these periods that it was ruled for some months that it was of a class or kind made in Canada, would make his inquiries, I suppose, from the Check Branch, would he ? A. No, cotton crepe is used and imported considerably in Vancouver and they would ring the Collector up there, and he would give them the ruling it is of a

the Customs Tariff as the Government of Canada do
think.

The COMMISSIONER: Dominion Textile ?

Mr.McMillan: Yes, my Lord, re Cotton Crepe.

"We wish to thank you for your favour of the 5th
and might state that the conditions regarding
this quality are the same as per our letter
of January 22nd, 1920."

Now, Mr. Hooper, the department ruling as it apparently
did from time to time that this fabric, cotton crepe,
was of a class or kind made in Canada, these rulings
would go out, would they, to the various customs'ports
A. No, in that case it would only go to Vancouver, I
believe. It would go to the Check Branch.

Q. Yarden ? A. It would go to the Check
Branch.

Q. What is the Check Branch ? A. All entries
and invoices that have been passed at the different
ports come to this division and are checked there by
clerks as to the rates of duty, any departmental ruling
values.

Q. Well, any one wishing to call up -- any one
engaged in this business and wishing to use in his
trade, or to import for sale cotton crepe during the
periods that it was ruled for some months that it was
of a class or kind made in Canada, would make his in-
quiries, I suppose, from the Check Branch, would he ?
A. No, entries are sent into Imperial Headquarters
in Vancouver and they would ring the Collector up
there, and he would give them the ruling in ac-

class or kind made in Canada,

Q. I am an importer and I just want to see what effect this had on business, and importer in Canada who wished to import this cotton crepe during this period that the Montreal Cottons were representing to the Department that they were or could make it in commercial quantities, and the Department ruling that it was of a class or kind made in Canada, of course, the importer would get that information from the Collector in Vancouver ? A. Yes.

MR. KELLOCK: My lord, is my friend leaving it at that, or is he going to ask the witness if he knows of any such instances.

THE WITNESS: I cannot be in Vancouver.

THE COMMISSIONER: If you think Mr. McRuer is not going far enough you can cross-examine Mr. Hooper yourself.

MR. KELLOCK: I know, but I think now is the time to deal with it.

THE COMMISSIONER: What is it you want to know?

MR. KELLOCK: The witness is saying if so and so were the case then so and so would happen, and I think my friend ought to ask if such a situation ruled.

BY MR. McRUER: Q. You were not in Vancouver; such applications would be made to the Collector in Vancouver? A. Yes. That is the question asked, if they would be made to the Collector in Vancouver and I answered that "Yes".

MR. McRUER: I hope my friend does not expect us to hold sittings in Vancouver.

MR. KELLOCK: Probably you should, because the

class or kind made in Canada.

Q. I am an importer and I just want to see what effect this had on business, and importer in Canada who wished to import this cotton crepe during this period that the Montreal Cottons were representing to the Department that they were or could make it in commercial quantities, and the Department ruling that it was of a class or kind made in Canada, of course, the importer would get that information from the Collector in Vancouver? A. Yes.

MR. MACLEOD: My lord, is my friend leaving it at that, or is he going to ask the witness if he knows of any such instances.

THE WITNESS: I cannot be in Vancouver.

THE COMMISSIONER: If you think Mr. Mosser is not going far enough you can cross-examine Mr. Hooper yourself.

MR. MACLEOD: I know, but I think now is the time to deal with it.

THE COMMISSIONER: What is it you want to know?

MR. MACLEOD: The witness is saying if so and so were the case then so and so would happen, and I think my friend ought to ask if such a situation rules.

MR. MOSS K.C.: Q. You were not in Vancouver; such applications would be made to the Collector in Vancouver? A. Yes. That is the question asked, if they would be made to the Collector in Vancouver and I answered that "Yes".

MR. MOSSER: I hope my friend does not expect us to hold sittings in Vancouver.

witness cannot possibly know there were such applications

MR. McRUER: I am dealing with the obstruction that was unfairly put on trade in this country by representing they were manufacturing this when they were not. You said you could not manufacture that commercially and in the other case there was a piece fabricated specially for the purpose of deceiving the department.

MR. BALLANTYNE: Of what, Mr. McRuer?

MR. McRUER: A piece fabricated in the other case -- I am not blaming the Dominion Textiles for that. According to the letters apparently Montreal Cottons were struggling hard. Now, the next one, my lord, is the subject of lambskin cotton fabric.

THE COMMISSIONER: Is it a similar case?

MR. McRUER: A similar case, yes, my lord.

THE COMMISSIONER: It will be a new exhibit then?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: 801.

EXHIBIT NO. 801: File of correspondence between Commissioner of Customs, Dominion Textile Company and La France Plushes.

THE COMMISSIONER: Re what did you say? What is the fabric?

MR. McRUER: Lambskin cotton fabric, my lord. Oh, I beg your lordship's pardon. There are two telegrams that belong to the last exhibit that I have overlooked.

THE COMMISSIONER: Alright.

MR. McRUER: One is dated the 3rd of August, 1932 from Gault Brothers to the Department of National

witness cannot possibly know there were such applications.

MR. MORDER: I am dealing with the obstruction that was unfairly put on trade in this country by representing they were manufacturing this when they were not. You said you could not manufacture that commercially and in the other case there was a place fabricated specially for the purpose of deceiving the department.

THE COMMISSIONER: Of what, Mr. Morder?

MR. MORDER: A place fabricated in the other case. I am not discussing the Dominion Textiles for that. According to the letters apparently Montreal cottons were struggling hard. Now, the next one, my lord, is the subject of Lambskin cotton fabric.

THE COMMISSIONER: Is it a similar case?

MR. MORDER: A similar case, yes, my lord.

THE COMMISSIONER: It will be a new exhibit then?

MR. MORDER: Yes, my lord.

THE COMMISSIONER: 801.

EXHIBIT NO. 801: File of correspondence between Commissioner of Customs, Dominion Textile Company and La Presse Limited.

THE CO-MISSIONER: Re what did you say? What is the fabric?

MR. MORDER: Lambskin cotton fabric, my lord. Oh, I beg your lordship's pardon. There are two telegrams that belong to the last exhibit that I have overlooked.

THE COMMISSIONER: Already.

MR. MORDER: One is dated the 3rd of August, 1926 from Gault Brothers to the Department of National

Revenue. It reads as follows:

"Reference file eight six five five naught subject cotton crepe also our letter of July twenty seventh stop will you please wire collector here instructions to clear the three hundred pieces now in port free of dump as they are not of a class or kind being made in Canada at present,"

and the reply from the Assistant Commissioner of Customs is:

"Department has no authority to exempt goods of class or kind made in Canada from special duty STOP Pay special duty demanded and submit samples".

THE COMMISSIONER: What date is that?

MR. McRUER: That is dated the same date, my lord. Now, in reference to the Lamskin Cotton Fabric, there is a letter from the --

THE COMMISSIONER: That is 801.

MR. McRUER: 801, yes, my lord; there is a letter from the Commissioner of Customs to the Dominion Textile Company. "Please advise this Department if plain and embossed" --

THE COMMISSIONER: What is the date, please ?

MR. McRUER: The 22nd, of September, 1932.

"Please advise this Department if plain and embossed Cotton Lamskin, as imported by casket manufacturers, if of a class or kind at present manufactured commercially by your firm or, to your knowledge, by any other firm in Canada.

"Kindly return samples with your reply."

The next is a letter dated the 12th of December, 1932.

Revenue. It reads as follows:

"Reference file eight six five five naught sub-
ject cotton crepe also our letter of July twenty
seventh stop will you please wire collector here
instructions to clear the three hundred pieces
moc in port free of duty as they are not of a
class or kind being made in Canada at present,"

and the reply from the Assistant Commissioner of
Customs is:

"Department has no authority to exempt goods of
class or kind made in Canada from special duty
STOP Pay special duty demanded and submit sample

THE COMMISSIONER: What date is that?

MR. MOUNT: That is dated the same date, my Lord,
in reference to the Lassakin Cotton Fabric, there
letter from the --

THE COMMISSIONER: That is 801.

MR. MOUNT: 801, you, my Lord; there is a letter
from the Commissioner of Customs to the Dominion Textile
Company. "Please advise this Department if plain and
embossed" --

THE COMMISSIONER: What is the date, please?

MR. MOUNT: The 22nd, of September, 1922.

"Please advise this Department if plain and
embossed fabrics imported by Canadian
manufacturers, if of a class or kind at present
manufactured commercially by your firm or, to
your knowledge, by any other firm in Canada.
"Kindly return samples with your reply."

The next is a letter dated the 12th of December, 1922.

THE COMMISSIONER: The 12th ?

MR.McRUER: Yes, my lord.

THE COMMISSIONER: They are not in order, then?

MR.McRUER: They are in order, yes, my lord. The other was September.

THE COMMISSIONER: This is what ?

MR.McRUER: The first was the 22nd of September, This is the 12th of December, my lord.

THE COMMISSIONER: December, I thought you said September.

MR.McRUER: No.

"No reply appears to have yet been received" --

THE COMMISSIONER: This is from the same people ?

MR McRUER: From the Commissioner of Customs to the Dominion Textile.

"No reply appears to have yet been received to this Department's letter of the 22nd September as follows:

'Please advise this Department if plain and embossed Cotton Lambskin, as imported by casket manufacturers, is of a class or kind at present manufactured commercially by your firm or, to your knowledge, by any other firm in Canada.

'Kindly return samples with your reply.'

"Kindly advise at your earliest convenience."

The next is the 3rd of January, 1933 , from the Commissioner of Customs to the Dominion Textile Company, subject: Lambskin Cotton Fabric.

"No reply appears to have yet been received

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to this Department's let er of the 22nd September as follows",

and again the letter is quoted.

"Unless a reply is received by return mail, the Department will consider that you are not interested."

Then, the next is a letter dated January 4th, 1933 from the Dominion Textile Company to the Department of National Revenue.

"Further to your letter of Sept. 22nd, we regret the delay in answering your previous communication, and beg to advise you that both the plain and the Embossed Cotton Lambskins are made by ourselves and also by the Canadian Cottons Ltd. in Canada. The embossing is done by the La France plushes Ltd., of Woodstock, Ont.

"A sample of one of the cloths which we manufacture, as close to the samples attached to your letter, is attached hereto. These cloths can be made in any shade desired."

Then, a letter from the Commissioner of Customs dated the 11th of January, 1933 to La France Plushes Ltd., and the Canadian Cottons, Subject: Cotton Lambskin.

THE COMMISSIONER: To both of them ?

MR.McRUER: Yes, my lord.

THE COMMISSIONER: What is the name of the first company ?

MR.McRUER: La France Plushes, Ltd., Woodstock.

THE COMMISSIONER: What is the other one ?

MR.McRUER: Canadian Cottons Limited.

to this Department's letter of the 22nd September as follows",

and again the letter is quoted.

"Unless a reply is received by return mail, the Department will consider that you are not interested."

Then, the next is a letter dated January 4th, 1933 from the Lomkinton Textile Company to the Department of National Revenue.

"Further to your letter of Sept. 22nd, we regret the delay in answering your previous communication, and beg to advise you that both the plain and the embossed cotton lambskins are made by ourselves and also by the Canadian Cottons Ltd. in Canada. The embossing is done by the La France Plushes Ltd., of Woodstock, Ont.

"A sample of one of the cloths which we manufacture, as close to the samples attached to your letter, is attached hereto. These cloths can be made in any shade desired."

Then, a letter from the Commissioner of Customs dated the 11th of January, 1933 to La France Plushes Ltd., and the Canadian Cottons, subject: Cotton Lambskin.

THE COMMISSIONER: To both of them?

MR.MORUSE: Yes, my lord.

THE COMMISSIONER: What is the name of the first company?

MR.MORUSE: La France Plushes, Ltd., Woodstock.

THE COMMISSIONER: What is the other one?

MR.MORUSE: Canadian Cottons Limited.

"Kindly advise this Department if plain and embossed Cotton Lambskin, as per samples, imported by casket manufacturers, is of a class or kind at present manufactured commercially by your firm or, to your knowledge, by any other firm in Canada."

Then, the next is a letter dated January 16, 1933 from La France Plushes Ltd. to the Department of National Revenue.

"With reference to your letter of January 11, we have delayed answering because we have been expecting a sample of a fabric closely resembling the material you enquired about to come through our mill. This sample is in process,but for the present is held up on account of an adjustment that is being made to our embossing machine. Just as soon as this fabric is through, we shall be pleased to send you a sample with full particulars."

THE COMMISSIONER: What is the date of that ?

MR.McRUER: That is dated the 16th of January, 1933. Then, a letter dated the 23rd of January, 1933 from La France Plushes Limited to the Department of National Revenue.

"We are sending you, under separate cover, a sample of embossed casket cloth resembling Cotton Lambskin.

"On thebasis of a contract with Dominion Textile Company, Limited, who would supply the cloth 36" wide and dyed, they quote us 20 1/4¢ per yard. To emboss this cloth and sell it from our own selling organization and branches, we figure we might

"Kindly advise this Department if you in and
[illegible] Salon [illegible], or our employer, Imperial
by overseas manufacturers, is of a class or kind
present being stored commercially by your firm
to your knowledge, by any other firm in Canada."

5 ion. The next is a letter dated January 16, 1955 from
the France Fibres Ltd. to the Department of National
venue.

"With reference to your letter of January 11,
we have delayed answering because we have been
10 peeling a sample of a fabric closely resembling
material you enquired about to come through our
mill. This sample is in process, but for the
present is held up on account of an adjustment
15 is being made to our embossing machine. Just as
soon as this fabric is through, we shall be plea
to send you a sample with full particulars."

THE COMMISSIONER: What is the date of that?

MR.MORTON: That is dated the 16th of January,
20 1955. Then, a letter dated the 23rd of January, 1955
from La France Fibres Limited to the Department of
NATIONAL REVENUE.

"We are sending you, under separate cover, a
sample of embossed basket cloth resembling Cotton
25 Lambrin.

"On the basis of a contract with Dominion Tex-
tile Company, Limited, who would supply the cloth
50-inch wide, they [illegible] as 30 [illegible]
To emboss this cloth and sell it from our own sel-
30 ling organization and branches, we figure we might

be able to sell it for approximately $.40¢ per yard, contract price, or slighly more than $.40¢ in single piece lots.

"We are not equipped to weave this particular type of cloth, but we can buy it from Dominion Textiles, emboss it and sell it through our selling organization. This may give you some idea of how the price compares with the American.

"We hope we have been of assistance to you in this matter."

Now, Mr. Hooper, do you know whether from that time on this Lambskin Cotton cloth was ruled as of a class or kind made in Canada ? A. To my knowledge it was.

MR. KELLOCK: I did not hear you.

MR. GEOFFRION: What was the answer,please ?

A. To my knowledge it was.

MR KELLOCK: Ruled as of a class or kind made in Canada.

MR. McRUER: Yes. Was any explanation given further than that about the long delay from September to January in getting an answer to a simple question as to whether they were manufacturing it in commercial quantities or not ? A. No, no explanation was given other than that. I should point out at this time that the La France Textile Company purchased two special lots from the Dominion Textile, 2200 and 500 yards.

Q. Where does that information come from ?

A. From Mr. Dodd.

Q. You spoke to Mr. Dodd of the Dominion Textiles about this ? /A. Yes.

Q. And the information you got was that La France

be able to sell it for approximately $.40½ per yard contract price, or slightly more than $.40½ in a small piece lots.

"We are not equipped to weave this particular type of cloth, but we can buy it from Dominion Textiles, choose it and sell it through our selling organization. This may give you some idea of how the prices compares with the American.

"We hope we have been of assistance to you in this matter."

Now, Mr. Hooper, do you know whether from the time on this Lambskin Cotton cloth was ruled as of a class or kind made in Canada? A. To my knowledge it was.

MR. MARTOCK: I did not hear you.

MR. MARTOCK: What was the answer, please?

A. To my knowledge it was.

MR. MARTOCK: Ruled as of a class or kind made in Canada.

MR. MARTOCK: Yes. Was any explanation given further than that about the long delay from September to January in getting an answer to a simple question as to whether they were manufacturing it in commercial quantities or not? A. No, no explanation was given other than that. I should point out at this time that the La Presse Textile Company purchased two special lots from the Dominion Textile, 2800 and 500 yards.

Q. Were those that [illegible] from?

A. From Mr. Judd.

Q. You spoke to Mr. Judd of the Dominion Textiles about this? A. Yes.

Textiles or La France Plushes Limited -- A. Plushes.

Q. Have only purchased how much, two lots ?

A. Two lots, one of 2200 and the other of 500 yards.

Q. How long ago was it that they purchased those?

A. At the time of that inquiry in January; what was the date, January, 1933.

Q. But the ruling, although that is all that has been purchased for embossing by La France -- A. Yes.

Q. The ruling still holds ? A. We should point out that Montreal Cottons do that and they do their own embossing.

Q. They started to make it; do you know when they started to make it ? A.No, I cannot say. Mr. Gordon cannot tell you either, but they are making it now.

Q. When did they start to make it, Mr. Gordon ?

MR. GORDON: I could not say. I would have to find out. I am sorry, but I cannot tell you. We have the equipment.

MR.McRUER: Then, next is Fugi.

THE COMMISSIONER: That is all about Lambskin ?

MR.McRUER: Yes.

THE COMMISSIONER: What is next ?

MR.McRUER: Fugi silk, my lord.

THE COMMISSIONER: That will be Exhibit 802.

EXHIBIT No. 802: Correspondence between Department of National Revenue and Douglas Hallam re Fugi Silk.

MR.McRUER: The first is a letter dated the 31st of March, 1933, from Douglas Hallam to Mr. Williams of the Department of National Revenue.

Textiles or La France Plushes Limited -- A. Plushes.

Q. Have only purchased how much, two lots ?

A. Two lots, one of 2800 and the other of 500 yards.

Q. How long ago was it that they purchased those ?

A. At the time of that inquiry in January; what was the date, January, 1958.

Q. But the ruling, although that is all that has been purchased for embossing by La France -- A. Yes.

Q. The ruling still holds ? A. We should point out that Montreal Cottons do that and they do their own embossing.

Q. They started to make it; do you know when they started to make it ? A.No, I cannot say. Mr. Gordon cannot tell you either, but they are making it now.

Q. When did they start to make it, Mr. Gordon ?

MR. GORDON: I could not say. I would have to find out. I am sorry, but I cannot tell you. We have the equipment.

MR. [illegible]: Yes, sir, is that.

THE COMMISSIONER: That is all about Lambskin ?

MR. [illegible]: Yes.

THE COMMISSIONER: What is next ?

MR.MORDEN: Vogl silk, my Lord.

THE COMMISSIONER: That will be Exhibit 802.

EXHIBIT No. 802: Correspondence between Department of National Revenue and Douglas Mills - Vogl silk.

MR.MORDEN: The first is a letter dated the 31st of March, 1958, from Douglas Mills to Mr. Williams at the Department of National Revenue.

"An importer of Japanese silk came in and asked for a Canadian source of supply of fugi silk made from spun yarn. I gave him the attached samples of fugi silk which are produced in the ordinary course of business by Grout's Ltd.

"He told me that he had considered importing such silk from Japan as a class or kind not produced in Canada, but that now he would go to Grout's for supplies.

" I am sending these samples to you to make certain that they are ruled as of a class or kind produced in Canada."

MR. BEAUREGARD: That is Exhibit ?

THE COMMISSIONER: 802.

MR. McRUER: The next is a letter from the Department of National Revenue to Douglas Hallam dated the 3rd of April 1933, "In reply to your letter " --

THE COMMISSIONER: The 3rd of April ?

MR.McRUER: Yes, my lord.

"In reply to your letter of the 31st ultimo, I thank you for the samples which you say represent fugi silk as produced by Grout's Limited.

"For your information, I may say that the Department ruled on the 1st March, 1932, that fugi silk should be considered as of a class or kind made in Canada, which ruling has remained unchanged up to the present."

THE COMMISSIONER: Just a moment; they refer to a ruling of what date ?

MR.McRUER: The 1st of March, 1932, my lord.

"An importer of Japanese silk came in and asked for a Canadian source of supply of Tussi silk made from spun yarn. I gave him the attached samples of Tussi silk which are produced in the ordinary course of business by Grout's Ltd.

"He told me that he had considered importing such silk from Japan as a class or kind not produced in Canada, but that now he would go to Grout's for supplies.

" I am sending these samples to you to make certain that they are ruled as of a class or kind produced in Canada."

MR. BLAU KEALEY: That is Exhibit ?

THE COMMISSIONER: Yes.

MR. MORDEN: The next is a letter from the Department of National Revenue to Douglas Hallam dated the 3rd of April 1928, "In reply to your letter " --

THE COMMISSIONER: The 3rd of April ?

MR.MORDEN: Yes, my lord.

"In reply to your letter of the 31st ultimo, I thank you for the samples which you say represent Tussi silk as produced by Grout's Limited.

"For your information, I may say that the Department ruled on the 1st March, 1928, that Tussi silk should be considered as of a class or kind made in Canada, which ruling has remained unchanged up to the present."

THE COMMISSIONER: Just a moment; they refer to a ruling of March ?

MR.MORDEN: The 1st of March, 1928, my lord.

"In case the samples are intended to represent pongee, I may say that the same remark applies; pongee is held to be of a class or kind made in Canada."

Now, Mr. Hooper, do you know what becameof this after this correspondence ? Do you know in what quantities Grout's Limited produced this fugi silk ? A. No, I don't.

Q. You have not inquired further back on that ? A. I have not inquired.

Q. Well, it speaks of a ruling in March, 1932 ? A. March 1st is it ?

Q. March 1st, 1932 in regard to fugis, pongees and so on, and I think habutae was on that too, that they were of a class or kind made in Canada. Do you know how that ruling was made, or how they came to determine whether ornot these goods were of a class or kind made in Canada at that time? A. No, sir.

Q. You don't know anything about it ? A. No, I did not get that correspondence. I will get it for you.

Q. Now then, we will go into simething else.

THE COMMISSIONER: Are you ghrough with Mr.Hooper ?

MR.McRUER: Oh no.

THE COMMISSIONER: It is just for Mr. Kellock's purposes in cross-examination.

BY MR. McRUER: Q. The first thing I want to take up with you now is some tariff history.

MR. KELLOCK: My lord, my friend is going into a new matter, and there is a matter that I should like to

"In case the samples are intended to represent
ponges, I may say that the same remark applies;
ponges is held to be of a class or kind made in
Canada."

Now, Mr. Hooper, do you know what becamoof this after
this correspondence ? Do you know in what quantities
Crow's limited produced this fuel silk ? A. No I
don't.

Q. You have not inquired further back on that ?
A. I have not inquired.

Q. Well, it speaks of a ruling in May, 1922 ?
A. March 1st is it ?

Q. March 1st, 1922 in regard to Tuyas, ponges and
so on, and I think Babutas was on that too, that they
were of a class or kind made in Canada. Do you know
how that ruling was made, or how they came to determine
whether or not these goods were of a class or kind made
in Canada at that time? A. No, sir.

Q. You don't know anything about it ? A. No,
I did not get that correspondence. I will get it for
you.

Q. Now, we will go into something else.

THE COMMISSIONER: Are you through with Mr.Hooper

MR.McGUIGAN: Oh no.

THE COMMISSIONER: It is just 5o'clock. Gentlemen
anything in cross-examination.

BY MR. McGUIGAN: Q. The first thing I want to take
up with you was in some earlier history:

MR. HOOPER: My lord, my friend is going into a
matter, one where, as a matter of chronology,

mention to your lordship, with my friend's permission, if I may interrupt for a minute. In Montreal last week your lordship directed that notice be given and it was given by the Secretary re ding before your lordship the names of the firms to whom the questionnaire prepared by the accountant had been sent out, and asked my clients if they would supplement that by some notice, and, my lord, we have done that, but the situation is this: There are a great many mills, I think some one hundred -- that is my recollection of what Mr.Whiteley said -- dealing in quite a variety of raw products and they are dealing in quite a variety of finished materials, and these questionnaires -- there are at least one hundred of them and the material in them is very bulky, and I am in this position --

THE COMMISSIONER: Do you mean to say there are one hundred questions in the questionnaire ?

MR. KELLOCK: No, there are one hundred mills and the material in the questionnaire is quite bulky.

THE COMMISSIONER: Each mill attends to its own questionnaire. It does not matter how many there are.

MR. KELLOCK: That is my difficulty.

THE COMMISSIONER: What is your difficulty.

MR.KELLOCK: My difficulty is this; my friend proposes to deal with that matter through Mr. Howson commencing some time in the early part of next week. I don't know if my friend proposes to deal with every one of these one hundred mills. I don't know which ones he proposes to deal with. I am asked by my clients whether I should have the man here who prepared the answers to the questionnaire in each particular case,

mention to your lordship, with my friend's permission, of a new interview for a minute. In consequence last week your lordship directed that notice be given and notice was given by the Secretary re ding before your lordship the names of the firms to whom the questionnaire prepared by the government had been sent out, and I took an affidavit to that social employment that by some mistake and, my lord, we have done that, but the situation is this: There are a great many mills, I think some one hundred -- that is my recollection of what Mr. Whitely said -- dealing in quite a variety of finished materials, and these questionnaires -- there are at least one hundred of them and the material in them is very bulky, and I am in this position --

THE COMMISSIONER: Do you mean to say there are one hundred questions in the questionnaire ?

MR. KILGOUR: No, there are one hundred mills and the material in the questionnaire is quite bulky.

THE COMMISSIONER: Each mill attends to its own questionnaire. It does not matter how many there are.

MR. KILGOUR: That is my difficulty.

THE COMMISSIONER: What is your difficulty.

MR. KILGOUR: My difficulty is that my friend proposes to deal with these matters through Mr. [illegible] commencing some time in the early part of next week. I don't know if my friend proposes to deal with every one of these one hundred mills. I don't know which must be prepared to deal with. I am instructed by my client whether I should have the man here who prepared the

and I don't know who to ask for. Further than that I don't know how my friend proposes to deal with these questionnaires, what particular parts of them he proposes to call to your lordship's attention. If it is a matter of technical accounting then should I or should I not have some technical assistance here and perhaps some technical evidence to give to your lordship ? You see, my lord, this situation is this that when we were dealing with an individual mill where your lordship sat in a certain place and dealt with that particular mill we found that in order to give your lordship the full facts -- I am not reflecting on my friend in any way, but my friend emphasized certain aspects of the questionnaire to your lordship -- in order to give your lordship any explanation that is necessary to meet any conclusions that my friend draws or purports to draw, or to supplement them in any way it was necessary, my lord, to spend in each individual case a great deal of time and labour in preparing the material. Now, if I don't know what mill is going to be dealt with, and even if I did have the man here that prepared the questionnaire, I don't know that I would be able to get the information for all these mills that we were able to get for your lordship when only dealing with one mill. I am quite sure your lordship wants all information and all proper explanations in each particular case, and I am absolutely in the dark as to what the procedure is and how I am to meet any situation which arises.Now, this is Thursday, and this thing is going to be

and I don't know who to ask for. Further than that I don't know how my friend proposes to deal with these questionnaires, what particular parts of them he proposes to call to your lordship's attention. If it is a matter of technical accounting then should I or should I not have some technical assistance here and perhaps some technical evidence to give to your lordship? You see, my lord, this situation is this that when we were dealing with an individual mill where your lordship may be a reasonably fair and impartial arbitrator mill we found that it in order to give your lordship the full facts -- I am not reflecting on my friend in any way, but my friend emphasized certain aspects of the questionnaire to your lordship -- in order to give your lordship any explanation that is necessary to meet any conclusions that my friend draws or purports to draw, or to submit that, in any way it was necessary, my lord, to spend in each individual case a great deal of time and labour in producing the material. Now, if I don't know what mill is going to be dealt with, and even if I did have the man here that prepared the questionnaire, I don't know that I would be able to get the information for all these mills that we were able to get for your lordship when only dealing with one mill. I am quite sure your lordship wants all information and all proper explanations in each particular case, and I am genuinely in the dark as to what the procedure is and how I am to meet any situation which arises. Now, this is Thursday, and this thing is going to be

precipitated next week, and that is the reason I am mentioning it to your lordship now and asking you if you can help me on the matter.

THE COMMISSIONER: What is the scope of this new questionnaire ?

MR. McRUER: Of course, the questionnaire was sent out, I think, last July.

THE COMMISSIONER: Yes, but this, as I understand Mr. Kellock, is a new line of questions; is that right.

MR. McRUER: No, nothing new at all except what they have had in their hands ever since last July in order to instruct counsel in any matters they wish put before the Commission that are contained in that questionnaire.

THE COMMISSIONER: What is it you want now ?

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Page 11897 follows

THE COMMISSIONER: I know - what is it that you want?

MR. McRUER: I am going to call Mr.Howson to deal with these answers to the questionnaire.

MR. KELLOCK: That is it, and I don't know which one Mr. Howson is going to deal with first and how and---

THE COMMISSIONER: He may deal with them all. As Mr. McRuer says these questionnaires were sent out to each one of your clients last July - a long time ago - and they had ample opportunity to work upon them and prepare themselves to meet whatever facts are revealed in their own questionnaires. Mr. Howson, as an expert auditor, has been working on them and he is going to appear here in a few days and give me evidence about what he finds in them. Now, how a better way can be devised of what you are to meet I do not know.

MR. KELLOCK: Well, your lordship sees that I had last week ---

THE COMMISSIONER: You mean that Mr.McRuer tell you now in advance in regard to all these questionnaires what particular points he intends to examine Mr. Howson upon? It may be one thing in respect to one company and another thing in respect to another company and all this ---

MR. KELLOCK: Your lordship sees until last week, in regard to a great many of these mills, none of

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these mills knew.

THE COMMISSIONER: What do you refer being given last week?

MR. KELLOCK: The notice your Lordship directed to be given respecting the Secretary reading ---

MR. McRUER: They have had notice. The questionnaire was sent out in the name of this Royal Commission, to be dealt with by the Royal Commission and for the purpose of being put before the Royal Commission. To say they have not known, they have known before last July. Before we adjourned in June it was announced we were going to have sent out a questionnaire and it was got out very early in July.

THE COMMISSIONER: I wish you would refresh my memory. What was said specially in Montreal about this notice? Did not it arise out of that question of the Canadian Cottons?.

MR. KELLOCK. No, it arose in this way: That my learned friend said to me, before the matter was mentioned publicly to your lordship at all, that he proposed to deal through Mr. Howson with this particular questionnaire and he did not want anyone of these mills saying that they did not have notice that that was going to be done and notice was given so that the mills would have notice. Now, they have had notice and---

THE COMMISSIONER: I know - suppose that had never been done at all last week, the fact remains that they had notice away back last summer.

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THE COMMISSIONER: I wish you would refresh my memory. What was said especially in Montreal about this notice? Did not it arise out of that question of the Canadian Customs?

MR. KNIGHT: No, it arose in this way: That my learned friend said to me, before the matter was mentioned publicly to your Lordship at all, that he proposed to deal through Mr. Lawson with this particular questionnaire and he did not want anyone of the mills saying that they did not have notice that that was going to be done and notice was given so that the mills would have notice. Now, they have had notice and---

THE COMMISSIONER: I know - suppose that had never been done for six last years, the very regular [illegible]

MR. KELLOCK: We only had notice of this -- That we were asked to give the Commission certain information in writing. We did not have notice that those were going to be dealt with publicly.

THE COMMISSIONER: How did you expect the questionnaire to be dealt with except by this Commission?

MR. KELLOCK: What was the purpose of the notice?

THE COMMISSIONER: The purpose of the notice, that Mr. McRuer wanted to make sure that each one of these companies was represented here by someone.

MR. McRUER: My point was that I wanted to know time and place that we were going to deal with it. They had notice last July we were going to deal with it some time and now this was the time that we were going to commence offering general evidence that affected all the mills. Mr. Hooper's evidence is going to deal with ---

MR. KELLOCK: I am not dealing with M . Hooper.

MR. McRUER: I am. So that they cannot say they did not hear of this proposed sitting in Ottawa. Now, we gave them notice, the same as my friend had notice and the same as the Dominion Textile had notice last week that we were going to appear in Ottawa to-day to commence that evidence that generally affected the mills. Now, the fact we did that has never changed the situation one iota.

MR. KELLOCK: Well then, the situation is my friend--

THE COMMISSIONER: What is your proposal now?

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THE COMMISSIONER: That is your proposal, that

MR. KELLOCK: Myp roposal arises out of very practical difficulties.

THE COMMISSIONER: What is your proposal?

MR. KELLOCK: My proposal is that my friend should let me know what mills questionnaire he proposes to deal specifically with before your lordship and, secondly, just how he proposes to deal with that, so that I may be personally instructed by any of these individual mills and having brought here the men who know about them and that we will have an opportunity of preparing any explanatory material which may be necessary to put before your lordship to give your lordship the full facts. If I am given no opportunity to do that I will be totally unable not only to help this commission but to do justice to any client that may proceed to instruct me.

THE COMMISSIONER: All I may say is this: That insofar as you and Mr. McRuer can get together which will facilitate the process of the evidence which will go before me when I had Mr. Howson in the box, so much the better but so far as making any ruling is concerned I cannot do that, because, I repeat,you misconceive the thing on your part. Not only that but you and your clients have known since last summer about questionnaire to be answered for the purpose of being dealt with before this Commission. Now, if you and Mr. McRuer cannot agree to anything the only thing I can do is to let him prodeed in his own case and if in any particular case you can show me

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[illegible] situations.

THE COMMISSIONER: What is your proposal?

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of being dealt with before this Commission. Now,

if you and Mr. Hafner cannot agree to anything on

you are taken by surprise, some evidence you might have got, without any fault of your own, or your client, I will see what I can do with it. I want you now that you have had ample notice and your company too have had ample notice, and you should be prepared to meet the case that will be presented here next week.

MR. KELLOCK: I can only remind your lordship that when your lordship was dealing with a single mill it was impossible to prepare in advance, and now how I am to do it on the spur of the moment I don't know but--

THE COMMISSIONER: We have not had this sort of evidence from Mr. Howson before.

MR. KELLOCK: No, but my friend has dealt with questionnaire and if my friend is to adopt the same procedure with Mr. Howson--

THE COMMISSIONER: I can only say I cannot go any further with you this morning. I tell you again it will have to be a pretty hard case for me to further delay the proceedings now after all these months that this thing has been going on.

MR. KELLOCK: Well, if I found it necessary to work several hours every day with clients - your lordship was dealing with particular mill in order to answer certain conclusions which my friend through witness attempts to draw from questionnaire, I can see that the same thing is goingto be necessary with each one of these hundred mills. I do not see how it is going to be possible to deal with it on the

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spur of the moment. I will have to ask your lordship for time.

THE COMMISSIONER: If you do I will consider your application in particular case as well as I can.

MR. KELLOCK: I know your lordship will. I want to point out the situation to your lordship now.

MR. McRUER: My friend has never asked me until now. He has never approached thismatter on behalf of the number of clients that he stated that he was acting for and that Mr. Lanctot stated he was acting for last February. Now, I will remind my friend that he is in a position of being able to get instructions from clients who know their business. I have had a good deal of instructions from an accountant who does not know the company's business and who can only deal with questionnaires that have been answered by them, and as far as I am concerned he has an equal chance with me because I do not know what evidence Mr.Howson is going to give. I have had an opportunity I think of spending one hour and a half with Mr. Howson since the questionnaires have been reasonably well answered. They are not all answered yet. But I have had that opportunity of about an hour and a half. So we both start out pretty nearly even and I venture my friend as spent a great deal more than that with his clients.

MR. KELLOCK: I have not had since last July - I have not had since my friend was dealing with particular material, no intimation at all as to how

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MR. KELLOCK: I have not had since last July - I have not had since my friend was dealing with

and for what purpose he proposes to deal publicly with the information. We had knowledge of a particular case and we required to work hours and hours to get that information and if the same procedure is adopted ---

THE COMMISSIONER: What do you mean "If the same procedure."

MR. KELLOCK: If my friend proposes to deal with the material in the questionnaire when he has Mr. Howson in the box in the same manner as he did when he had other witnesses in the box and was examining as to their questionnaires, I am going to be exactly in the same situation.

MR. McRUER: Much of the evidence I brought out from the witnesses in the box has notbeen returned to Mr. Howson and that is the reason I had to examine witness.

MR. KELLOCK: In addition to that Mr. Whiteley in each of these cases has prepared a number of tables based on these questionnaires and until I was handed that table I had no opportunity to meet it. Your lordship will know in a lawsuit where you have an examination for discovery.

THE COMMISSIONER: You are talking about certain questionnaires which, having been answered and which Mr. Howson is dealing with and you seem to be emabarrassed in what he may find in it. As I say, I can only deal with that when the case comes up. At the same time Mr. McRuer, anything you can do with Mr. Kellock to

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to expedite the hearing of course you ought to do.

MR. McRUER: I will assist him in every way I can. I could have let him have statement that Mr. Howson proposed to file by now but the reason I cannot is because the mills have not all made returns - and I am not quarrelling with the mills in that regard. I think some of them, like the larger mills, have had a very heavy task in filling out all the details of the questionnaire but we are doing the best we can and I will do the best I can with my friend to give him anything I can, b t I assure you I have not anything yet, and I have told my friend Mr. Geoffrion I will do the same thing with him, and one of the reasons I have not been able to let them have the summary is because there is a little information coming from the Dominion Textile.

MR. GEOFFRION: As I understand it, you came back and said you wanted more details information. We did not understand it.

MR. McRUER: After all, Mr. Howson is doing his addition and subtraction principally, he is not offering information or anything of that sort.

Q. Mr. Hooper, I want to proceed with you on some general matters of tariff. First item that I wish to deal with is cotton yarns. Now, you have produced a memo of the tariff schedule of cotton yarns as it is in effect to-day - that is correct? A. Yes.

THE COMMISSIONER: Tariffs?

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MR. MONDEN: I will assist him in every way I can. I realize that the Hon. Minister [illegible] proposed to file by now but the reason I cannot is because the mills have not all made returns - and I am not quarrelling with the mills in that regard. I think some of them, like the larger mills, have had a very heavy task in filling out all the details of the questionnaire but we are doing the best we can and I will do the best I can with my friend to give him anything I can, b t I assure you I have not anything yet, and I have told my friend Mr. Geoffrion I will do the same thing with him, and one of the reasons I have not been able to let them have the summary is because there is a little information coming from the Dominion Textile.

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MR. McRUER: Customs duties in respect to cotton yarns? A. That top one is cotton yarns and fabrics. All cotton yarn and fabrics.

EXHIBIT 803: Statement of customs duties as of 2nd of May, 1936, Cotton yarns and fabrics.

THE COMMISSIONER: What does it show - just the present tariff?

MR. McRUER: The customs duties in effect to-day.

THE COMMISSIONER: You see what I want is February, 1930.

MR. McRUER: We are coming to that. We are going to give a history of the different tariff items. I have it in one statement so that we will have it there and then we bring it down to to-day in the next statement. This is as of May 2nd, 1936. That is after the last budget became effective? A. Yes.

Q. Now, the first item on the list is raw cotton; There is no duty on raw cotton but there is an excise tax is there not? A. Yes, sir.

Q. The excise tax is how much? A. 3%.

THE COMMISSIONER: That is not marked here.

MR. McRUER: No, these are customs duties only.

THE COMMISSIONER: Is that the only tax?

MR. McRUER: Q. That is the only tax on raw cotton - that is correct? A. Yes, sir.

Q. In respect to that it is fair to make this observation, is it not, that if you take fabric such as under 523 woven, unbleached and uncolored, the duty there is 15% under the British reference.

MR. MONDEN: Customs duties in respect to cotton yarns?

A. That top one is cotton yarns and fabrics. All cotton yarn and fabrics.

MEMBERS BOOK: Statement of customs duties as of 2nd of May, 1936, Cotton yarns and fabrics.

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THE COMMISSIONER: Is that the only tax

MR. MONDEN: Q. That is the only tax on raw cotton that is correct? A. Yes, sir.

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THE COMMISSIONER: Where do you find 523?

MR. McRUER: A little over half way down the page, my lord.

Q. The duty there is 15% British Preference, 20% and 3½¢ a pound intermediate, and 25% and 4¢ a pound general tariff. Raw cotton comes from the United States? A. In most cases.

Q. Does the excise duty apply if imported from British Dominions or is there any imported from British Dominions? Do they produce any cotton in South Arica?

THE COMMISSIONER: Egypt.

MR. GORDON: Egypt is not treated as a British Dominion for the purpose of the Act.

THE COMMISSIONER: India.

MR. GORDON: India would be.

MR. McRUER: Is there any excise on it?

MR. GORDON: There would be no excise on Indian cotton.

THE COMMISSIONER: Is that a general proposition that this 3% excise tax is not imposed on goods of British origin?

MR. McRUER: That is right.

Q. When we come to the United States it is imposed? A. Yes, sir.

Q. So that into the cost of the fabric in Canada there goes a 3% excise duty on the raw cotton? A. Yes.

THE COMMISSIONER: Where do you find 3%?

MR. MORDEN: A little over half way down the page, my lord.

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Q. When we come to the United States it is imposed?

A. Yes, sir.

Q. So that into the cost of the fabric in Canada there goes a 3% excise duty on the raw cotton?

A. Yes.

Q. And that may have some bearing on the relative protection afforded by the Custom duties on the fabric when imported from the United States? A. That is right.

Q. That the United States producer is not subject to an excise duty on his raw cotton.

THE COMMISSIONER: You mean in his own country?

MR. McRUER: Yes. But, of course, he is subject to some other things such as processing tax and that sort of thing.

THE WITNESS: Not now but he was.

THE COMMISSIONER: Well then, we have this, raw cotton ---that, of course, is not produced in Canada.

A. No, my lord.

Q. But insofar as it comes from a foreign country, while it is said to be on the free list it pays an excise tax of 3%? A. Yes.

THE COMMISSIONER: Why that is called excise tax, I don't know. That is one of the mysteries.

MR. McRUER: Appears to be collected by a different man than Department of National Revenue.

THE WITNESS: The customs collect it for him.

Q. The yarn, of course, are 12½%, British Preferential, that is, singles. 15% and 3½¢ a pound intermediate and 22½% and 4¢ a pound general tariff. I do not think it is necessary for me to go and read this into the record.

THE COMMISSIONER: No, we would be no further

. Are they only were been paying on the raisins previously exported on the same basis as the varia that imported from the United States?

A. That is right.

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THE COMMISSIONER: You mean in his own country?

MR. HOOPER: Yes. But, of course, he is subject to some other things such as processing tax and that sort of thing.

THE WITNESS: Not now but he was.

THE COMMISSIONER: Well then, we have the raw cotton ---that, of course, is not produced in Canada.

A. No, my lord.

Q. But insofar as it comes from a foreign country, while it is said to be on the free list it pays an excise tax of 3½? A. Yes.

THE COMMISSIONER: Why that is called excise tax, I don't know. That is one of the mysteries.

MR. HOOPER: Appears to be collected by a different department of National Revenue.

THE WITNESS: The customs collect it for him.

Q. The yarn, of course, are 12½% British preferential, that is, singles. 15% and 5% a pound intermediate and 22½% and 4% a pound general tariff. I do not think it is necessary for me to read this into the record.

THE COMMISSIONER: Mr. we would be an further

advanced unless there is something you want to point out in respect to any item.

MR. McRUER: No, not at the moment.

MR. KELLOCK: Does this item or exhibit show less 10% in the case of the British Preference?

MR. McRUER: I thought we had that pretty well in our heads. That is true.

THE COMMISSIONER: It had better be noted.

MR. BEAUREGARD: At the end of it is not it marked here?

THE COMMISSIONER: Now, what about this 10%?

MR. McRUER: All items.

THE COMMISSIONER: All British items is increased by further 10% when the goods come from a British port to a Canadian port?

THE WITNESS: Yes, into a sea, lake or Port of Canada. That is Section 5 of the Customs Tariff, sub-sections 1, 2 and 3.

MR. McRUER: Now, the next Exhibit, my lord, will be a summary of tariff rates on cotton yarns.

THE COMMISSIONER: How far back does it go?

MR. McRUER: Goes back to 1907.

EXHIBIT 804: Summary of tariff rates on cotton yarns.

MR. McRUER: Now, your lordship will note that they are divided into two classes: "Yarns coarser than 40's," and "Yarns 40's or finer".

the WITNESS: They divide them into two classes, three classes - single and ply and mercerized. Singles

advanced unless there is something you want to point out in respect to any item.

MR. MORDEN: No, not at the moment.

MR. KMILOCK: Does this item or exhibit show less 10% in the case of the British preference?

MR. MORDEN: I thought we had that pretty well in our heads. That is true.

THE COMMISSIONER: It had better be noted.

MR. MORDEN: At the end of it is not it marked here?

THE COMMISSIONER: Not, what about this 10%?

MR. MORDEN: All items.

THE COMMISSIONER: All British items is increased by further 10% when the goods come from a British port to a Canadian port?

THE WITNESS: Yes, into a sea, lake or port of Canada. That is Section 5 of the Customs Tariff, sub-sections 1, 2 and 3.

MR. MORDEN: Now, the next exhibit, my Lord, will be a summary of tariff rates on cotton yarns.

THE COMMISSIONER: How far back does it go?

MR. MORDEN: Goes back to 1907.

EXHIBIT 804: Summary of tariff rates on cotton yarns.

MR. MORDEN: Now, yarns generally all sorts [illegible] are divided into two classes: "Yarns coarser than 40's," and "Yarns 40's or finer".

THE WITNESS: They divide them into two classes,

are divided up to 1907 in the first part into two classes - yarns coarser than 40's and yarns 40's or finer, and then from the 17th of February, 1928 the single yarns are shown altogether there under Item 522.

Q. Well, but from the first of February, 1928, the singles were classed as 40's or coarser, were they not? That there was one stage more, the customs duty was made to apply instead of 40's or finer it was made to apply to yarns 40's or coarser? A. 40's or finer was changed to read finer than 40's and then the coarser yarns were divided between 20's and coarser and over 20's and up to 40's.

THE COMMISSIONER: Tell me - this is history from 1907 down to date, - when did this extra reduction of 10% in connection with British Preference first begin to operate? A. April, 1923, was not it? I have it here.

MR. McRUER: Q. And that only operates if the customs duty is 15% or over, that is correct ? A. Yes, over 15%. That was assented to on the 30th of June, 1923 and came into force on the 12th day of May, 1923.

THE COMMISSIONER: Q. That would be the day the budget was delivered? A. Yes.

Q. When did this 3% excise tax begin to operate? A. 3% came into effect in April, 1932, April 7th, 1932, if my memory serves me.

Q. You say that 10% applies only when the duty is over 15%? A. Yes, my lord.

are divided up to 19, in the first part into two classes - terms coarser than 40's and terms 40's or finer; and then from the 17th of February, 1928 the single terms are shown altogether there under item 322.

Q. Well, but from the first of February, 1928, the singles were classed as 40's or coarser, were they not? That there was one stage more, the customs duty was made to apply instead of 40's or finer it was made to apply to terms 40's or coarser? A. 40's or finer was changed to read finer than 40's and then the coarser terms were divided between 40's and coarse and over 20's and up to 40's.

THE COMMISSIONER: Tell me - this is history from 1927 down to date, - when did this extra reduction of 10% in connection with British Preference first come to operate? A. April, 1928, was not it? I have it here.

MR. MONDER: Q. And that only operates if the customs duty is 10% or over, that is correct? A. Yes, over 10%. That was announced to on the 30th of June, 1923 and came into force on the 16th day of May, 1928.

THE COMMISSIONER: Q. That would be the day the budget was delivered? A. Yes.

Q. When did this 3% excise tax begin to operate? A. 3% came into effect in April, 1923, April 17th, 1923, if my memory serves me.

Q. You say that 10% applies only when the duty is

MR. McRUER: Mr. Geoffrion suggests that the excise tax applied on British goods also at first.

THE WITNESS: Yes, that is right.

Q. And then would that be changed in 1932?

A. It was 1% in June, 1931, and increased to 3% the next year, and then eventually - I think it is 1934, 1935 - was reduced to 1½% against Great Britain and latterly was discontinued altogether.

Q. Probably you can just get the dates? A. I have the history of it but not right here.

Q. Well, now, there seemed to be a downward revision of the duties - the first in 1922, - in respect to yarns of British origin? A. Yes.

Q. Then in February, 1928, there was a further downward revision and a reclassification.

MR. KELLOCK: That is a different classification.

THE WITNESS: No, it is downward. It is dealing with the same yarns. You compare the 15% with anything in the 1928 and it is higher. You compare 22½% and it is higher. You compare 25% and it is higher. The only case which you have where it is reduced upwards, is for intermediate tariff 41's and finer, and, of course, 40's instead of being free raised to 12½%, 15% and 22.

MR. McRUER: Q. That just applies to the 40's only, one count? A. Yes. There was a general reduction there.

Q. Then the next revision appears to have taken

MR. MORGAN: Mr. Geoffrion suggests that the excise tax applied on British goods also at first.

THE WITNESS: Yes, that is right.

Q. And then would that be changed in 1932?

A. It was 1% in June, 1931, and increased to 2% the next year, and then eventually - I think it is 1934, 1935 - was reduced to 1% against Great Britain and latterly was discontinued altogether.

Q. Probably you can just get the dates? A. I have the history of it but not right here.

Q. Well, now, there seemed to be a downward revision of the duties - the first in 1932, - in respect to some of British goods.

Q. Then in February, 1933, there was a further downward revision and a reclassification.

MR. KELLOCK: That is a different classification.

THE WITNESS: No, it is downward. It is dealing with the same years. You compare 1931 with 1932 in the 1932 and it is higher. You compare 1932 and it is higher. You compare 1933 and it is higher. The only thing which you have where it is reduced is, is for intermediate tariff 41's and finer, and, of course, 40's instead of being free raised to 12½%, 15% and 22%.

MR. MORGAN: Q. That just applies to the 40's only, same count? A. Yes. There was a general reduction there.

Q. Then the next revision appears to have taken

place on the 17th September 1930 when all items were subjected to a specific duty and the general tariff- was the general tariff raised to 22%? A. General tariff was raised to, specific duty - at least ad valorem duty stayed at the higher rate shown in 1928, that is for 21 and 41.

Q. Well now, tell me in 1930, according to your statement, you say that "the above three classes were grouped together as item 522," that is, that the division that had been made in 1928 was done away with, they were again amalgamated? A. Yes.

Q. Then we have that comparison right there? A. That 20 to 40 should be 22½% instead of 22%.

Q. That is on 522-A? A. That is right. Now, then, the rate shown under 522½A became the rates for 522- I mean the ad valorem rate, became the ad valorem rates in 522.

Q. Would it have affect that on the coarser and heavier yarns after September 30th, 1930, the actual duty paid or payable would be greater than on the finer and light yarns? A. The percentage would be greater.

Q. Of course, the finer being more expensive the ad valorem duty would be a little higher but the specific duty would be the same on them all? A. Yes.

Q. Then we come to October,1932 - there was a change in the British Preference whereby the specific duty was reduced a cent a pound? A. That is right.

place on the 17th September 1930 when all items were subjected to a specific duty and the general tariff-

Q. The general tariff values in 1930 -

A. General tariff was raised to, specific duty - at least ad val duty stayed at the higher rate shown in 1928, that is for 21 and 41.

Q. Well now, tell me in 1930, according to your statement, you say that "the above three clauses were grouped together as item 322," that is, that the division that had been made in 1928 was done away with they were again amalgamated? A. Yes.

Q. Then we have that comparison right thereof A. Not so to 44 should be 44½ instead of 322.

Q. That is on 322-A? A. That is right.

Now, then, the rate shown under 322A became the rates for 322- I mean the ad valorem rate, became the ad valorem rates in 322.

Q. Would it have effect that on the coarser and heavier yarns after September 22nd, 1930, the actual duty paid or payable would be greater than on the finer and light yarns? A. The percentage would be greater.

Q. Of course, the finer being more expensive the ad valorem duty would be a little higher but the specific duty would be the same on them all? A. Yes.

Q. Then we come to October, 1932 - there was a change in the British preference whereby the specific duty was reduced.

Q. But no changes made in the intermediate and general? A. Yes.

Q. And May, 1936, the specific duty was taken off under the British Preference but no changes made in intermediate or general? A. That is right.

THE COMMISSIONER: Well now, about the adjournment. We have been accustomed to adjourn from half past 12 to 2 o'clock. Is that sufficient time here? All have to go up town for lunch and would it be more convenient to say quarter after two.

MR. McRUER: Probably we could sit for 15 minutes longer in the evening. More convenient to have the time at noon.

THE COMMISSIONER: We will adjourn now until a quarter after 2.

-- Adjourned at 12.30 to resume at 2.15 P.M.

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4. But no changes made in the intermediate and preferential.

5. And May, 1936, the specific duty was taken off under the British Preference but no changes made in intermediate or general.

5 right.

THE COMMISSIONER: Well now, about the adjournment. We have been accustomed to adjourn from half past 4 to 5 o'clock. Is that sufficient time here?

10 MR. MACNAB: Not to go up town for lunch and would it be more convenient to say quarter after two.

MR. MCKUNE: Probably we could sit for 15 minutes longer in the evening. More convenient to have

15 the time at noon.

THE COMMISSIONER: We will adjourn now until a quarter after 2.

-- Adjourned at 12.30 to resume at 2.15 p.m.

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The Commission resumed at 2.15 p.m.

BY MR. McRUER: Q. With further reference to Exhibit 804, I think we had just dealt with the change that had taken place in 1932. Then in 1936 there was a further change under the British preference whereby the specific duty was taken off altogether? A. Yes.

Q. But the intermediate and general tariffs remained as they were. That is correct? A. That is correct.

Q. Can you tell me, Mr. Hooper, from your experience in the Customs department whether the supply of cotton yarns would tend mostly to come from Great Britain or from the United States? A. Well, the yarns used in Canada follow more closely those produced in the United States. I mean the specifications are similar, more so than the general yarns used in Great Britain. For example, the twist is harder.

Q. Is harder in the Canadian yarns than in the English? A. Yes.

Q. And harder in the American yarns than in the English? A. Yes.

Q. Then we come to ply yarns, coarser than 40's. What are ply yarns, Mr. Hooper? A. Two singles twisted together.

Q. Two or more? A. Two or more.

Q. Two or more singles twisted together? A. Yes

Q. Coarser than 40's, 1907, 17½, 22½ and 25 per cent. In 1922 there was a reduction in the British preference, while the intermediate and general remained the same. Were they changed at all later on, the coarser than 40's. Are they the same as they were in 1922? A. No, they are not the same.

The Commission resumed at 2.15 p.m.

Q. [illegible] British Preferential Tariff, British 904. I think we had just dealt with the changes that had taken place in 1926. Then in 1926 there was a further change under the British preference whereby the specific duty was taken off altogether? A. Yes.

Q. But the intermediate and general tariffs remained as they were. That is correct? A. That is correct.

Q. [illegible] Now, Mr. Hooper, in your experience in the Customs department whether the supply of cotton yarns would tend mostly to come from Great Britain or from the United States? A. Well, the yarns used in Canada follow more closely those produced in the United States. I mean the specifications are similar, more so than the general yarns used in Great Britain. For example, the twist is harder.

Q. Is harder in the Canadian yarns than in the English? A. Yes.

Q. And harder in the American yarns than in the English? A. Yes.

Q. Then we come to ply yarns, coarser than 40's. What are ply yarns, Mr. Hooper? A. Two singles twisted together.

Q. Two or more? A. Two or more.

Q. Two or more singles twisted together? A. Yes

Q. Coarser than 40's, 1017, 1019, 22, and 25 part. In 1922 there was a reduction in the British preference, while the Intermediate and General remained the same. Then [illegible] at a later [illegible] the coarser than 40's. Are they the same as they were in 1922? A. No, they are not the same.

Q. Where did the change come in? A. Those headings are a little bit too prominent down there.

Q. Let us reduce their prominence so long as we get to understand them? A. Where the 1907 is there should be a stop. On the 17th of February, 1928, they come together there.

Q. Oh, I see. Coarser than 40's --

A. All ply yarns come in under tariff 522c.

Q. In 1930 the specific duties went on but there was no change in ad valorem? A. In 1930, that is right.

Q. In 1932 the specific duty was reduced but there was no change in the ad valorem. The specific duty was reduced under the British preference only? A. Yes.

Q. And in 1936 it was abolished under the British preference. The ad valorem remained the same, and the specific duties remained the same under the other tariffs? A. Yes.

Q. Can you tell me for what purpose the coarse yarns are used? A. In certain types of fabrics. Hosiery would be the larger item.

Q. Well, they are free with the exception of the intermediate and general. A tariff of 25 per cent was put on, on those headings in 1932?

A. Yes.

Q. Otherwise they are all free? A. You notice that it is restricted to manufactures in 1928.

Q. They were free to manufacturers? A. No, I say it is restricted to manufactures in 1928.

Q. What do you mean by that? A. It would

Q. Now did the change come in? A. These headings are a little bit too long down there. Let us reduce their prominence so long as we get to understand them? A. Where the 1st is there should be a stop. On the 17th of February, 1882, they come together there.

Q. Oh, I see. Coarser than 40's --

A. All dry yarns come in under twill Ends.

Q. In 1883 the specific duties went on but there was no change in ad valorem? A. In 1884, that is right.

Q. In 1882 the specific duty was reduced but there was no change in the ad valorem. The specific duty was reduced under the British preference only? A. Yes.

Q. And in 1883 it was abolished under the British preference. Did ad valorem remained the same, and the specific duties remained the same under the other tariffs? A. Yes.

Q. [illegible]

[illegible] MOORE A. In certain lines of imports. Hosiery would be the larger item.

Q. Well, they are free with the exception of the increase to 30% General. A tariff of 35 per cent was put on, on those headings in 1882? A. Yes.

Q. Otherwise they are all free? A. You notice that it is restricted to manufactures in 1882.

Q. [illegible] A. [illegible] manufactures in 1883.

Q. What do you mean by that? A. It would

have to be imported by manufacturers for further manufacture.

Q. If they were not imported by manufacturers who would they be imported by ? A. I am wondering.

Q. You could not do much with yarn unless you manufactured it.

MR. BLAIR GORDON: The jobbers.

THE WITNESS: They would all go to manufacturing.

MR. McRUER: Next is the history of the tariff rates on cotton fabrics.

THE COMMISSIONER: That will be Exhibig 805.

EXHIBIT 805: Summary of tariff rates on cotton fabrics.

BY MR. McRUER: Q. Referring to this Exhibit 805, does this go back to the same time, 1907? A. Yes. I should mention before going on to cotton fabrics that there is another item in there for yarns imported by thread manufacturers, but that has not come in so it has been left out. There is another item for yarns imported by thread manufacturers, manufacturing sewing thread, but that has been left out because we have not made any inquiry into it and the rates of duty have remained the same.

Q. Now coming to the fabrics the rates on cotton fabrics in the grey were in 1907, 15, 22½ and 25 per cent. In 1922 you have a reduction in item 521. What do you mean by that? A. That is the important item. It may have been a different number. I do not know the number.

Q. It still applies to the same type of fabric? A. Yes.

have to be imported by manufacturers for further manufacture.

Q. If they were not imported by manufacturers who would they be imported by? A. I am wondering.

Q. You could not do much with yarn unless you manufactured it.

- Mr. [illegible]:

Mr. [illegible]: They would all go to manufacturers.

Mr. [illegible]: Next in the history of the [illegible] Bills on [illegible].

THE CHAIRMAN: That will be Exhibit 805.

[illegible]: Summary of tariff notes on [illegible].

BY MR. [illegible]: Q. Referring to this exhibit 805, does this go back to the same time.

A. Yes. I should mention before going on to cotton fabrics that there is another item in the for yarns imported by thread manufacturers, but that has not come in as it has [illegible]. There is another item for yarns imported by thread manufacturers, manufacturing sewing thread, but that has been left out because we have not made any inquiry into it and the rates of duty have remained the same.

Q. Now coming to the fabrics the rates on [illegible] in the [illegible] item 1009, [illegible] and 10 per cent. In 1922 you have a reduction in item 321. What do you mean by that? A. That is the [illegible] item. [illegible] tariff [illegible].

Q. [illegible]

A. Yes.

Q. In 1928 there was a slight reduction in the intermediate and general tariffs? A. Yes.

Q. In 1930 the ad valorem was increased from 12½ to 17½ per cent, and 3 cents per pound under the British preference. The ad valorem remained the same under the intermediate, but there was an additional 3½ cents per pound specific duty, and the general was increased by 2½ per cent ad valorem and an addition of 4 cents per pound specific? A. Yes.

Q. In 1932 there was again a reduction in the British preference by one cent per pound specific, and no other changes, and in 1936 there was a reduction in the British preference by 2½ per cent ad valorem and the specific duty was taken off? A. Yes.

Q. And the intermediate and general still remained the same? A. Yes.

Q. Cotton fabrics bleached, the British preference was reduced in 1922 by 2½ per cent, and in 1930 the ad valorem duty under the British preference was increased 5 per cent over 1922 and a specific duty of 3 cents a pound was added. The ad valorem under the intermediate remained the same, but a specific duty of 3½ cents a pound was added, and under the general tariff the ad valorem was increased by 2½ per cent and a specific duty of ~~4½~~ 4 cents a pound added? A. Yes.

Q. Then in 1932 the specific duty under the British preference was reduced and in 1936 it was taken off, but the ad valorem duty remained the same under the intermediate and general tariffs.

Q. In 1926 there was a slight reduction in the intermediate and general tariff? A. Yes.

Q. In 1930 the ad valorem was increased from 12½ to 17½ per cent, and 3 cents per pound under the British preference. The ad valorem remained the same under the intermediate, but there was an additional 2½ cents per pound specific duty. And the general was increased by 2½ per cent ad valorem and an addition of 4 cents per pound specific? A. Yes.

Q. In 1932 there was again a reduction in the British preference by one cent per pound specific, and no other change, and in 1935 there was a reduction in the British preference by 2½ per cent ad valorem and the specific duty was [illegible]? A. Yes.

Q. And the intermediate and general still [illegible]? A. Yes.

Q. Cotton fabrics bleached, the British preference was reduced in 1922 by 2½ per cent, and in 1930 the ad valorem duty under the British preference was increased 5 per cent over 1922 and a specific duty of 2 cents a pound was added. The ad valorem under the intermediate remained the same, but a specific duty of 2½ cents a pound was added, and under the general tariff the ad valorem was increased by 2½ per cent and a specific duty of 4½ 4 cents a pound added? A. Yes.

Q. Then in 1932 the specific duty under the British preference was reduced and in 1935 it was taken off, but the ad valorem duty remained [illegible] the intermediate and general tariff.

The duties on cotton fabrics coloured go through pretty much the same process. There was a reduction at first in 1928, an increase in 1930, a reduction in the British preference in 1932 and again in 1936? A. The only difference there was that woven fabrics of yarn of more than one colour had a special item in 1928.

Q. Yes

MR. BALLANTYNE: Are you going to mention that 10 per cent reduction, Mr. McRuer?

BY MR. McRUER: Q. Ten per cent under the British preference applies all through. If it is ~~only~~ over 15 per cent -- A. We have one case where it is not over 15 per cent. Cotton fabrics in the grey are not over 15 per cent. So that is really not a reduction of 2½ per cent ad valorem. It is 10 per cent off the 17½ per cent, and the 2 cents a pound.

Q. All right. Now blankets, made up articles, the duties in 1907 were 25, 30 and 35 per cent. In 1922 the British preference was reduced to 22½ per cent, and in 1928 to 15 per cent. In 1930 the ad valorem was increased to 22½ per cent under the British preference and 20 cents per pound; and the intermediate increased from 22½ to 30 per cent and 25 cents a pound; the general was increased from 27½ to 35 per cent and 30 cents a pound. The only change since that has been that under the British preference the specific duty was reduced to 10 cents a pound, and apparently this item was not dealt with in 1936 at all.

The duties on cotton fabrics cleared go through pretty much the same process. There was a reduction at first in 1928, an increase in 1930, a reduction in the British preference in 1932 and again in 1936? A. The only difference there was that woven fabrics of yarn of more than one colour had a special item in 1928.

Q. Yes

Mr. MACLAGAN: Are you going to mention that 10 per cent reduction, Mr. Hooper?

BY Mr. Johnson: Q. Ten per cent make the British preference applies all through. If it is ~~only~~ over 15 per cent -- A. We have one case where it is not over 15 per cent. Cotton fabrics in the grey are not over 15 per cent. So that is really not a reduction of 25 per cent ad valorem. It is 10 per cent off the 17½ per cent, and the 2 cents a pound.

Q. All right. Now blankets, made up articles, the duties in 1907 were 25, 30 and 35 per cent. In 1922 the British preference was reduced to 22½ per cent, and in 1928 to 15 per cent. In 1930 the ad valorem was increased to 22½ per cent under the British preference and 30 cents per pound; and the intermediate increased from 22½ to 30 per cent and 25 cents a pound; the general was increased from 27½ to 35 per cent and 30 cents a pound. The only change since that has been that under the British preference the specific duty was reduced to 10 cents a pound, and apparently this item was not dealt with in 1936 at all.

A. No, because that is over in the wool section.

Q. But these are cotton blankets? A. Yes they are, but that item applies to the wool section, and the cotton was drawn into that item. It was not dealt with in 1936.

Q. So that the duty in respect to cotton blankets under the British preference still is 22½ per cent and 10 cents a pound? A. Yes.

MR. BALLANTYNE: About that item 523c, "Provided for finer quality cotton fabrics, grey, bleached or coloured," I understand it has been used quite a bit recently for imports.

BY MR. McRUER: Q. What type comes under that , "Provided for finer quality cotton fabrics, grey bleached or coloured" ?

THE COMMISSIONER: Where is that?

MR. McRUER: Near the bottom of the first page of Exhibit 805.

THE WITNESS: Woven fabrics wholly of cotton, counts of 100 or more.

BY MR. McRUER: Q. Counts of 100 or more ? A. Yes.

Q. These would be very fine shirtings? A. Yes.

Q. And under the British preference they are free, intermediate 27½ per cent and 3½ cents per pound, and under the general 32½ per cent and 4 cents per pound. A. Yes.

MR. McRUER: The next schedule, my lord, is Artificial Silk, duties in effect now.

THE COMMISSIONER: That will be Exhibit 806.

MR. McRUER: It is a memorandum of the duties on artificial silk.

A. No, because that is over in the wool section.

Q. But these are cotton blankets? A. Yes they are, but that item applies to the wool section, and the cotton was drawn into that item. It was not dealt with in 1936.

Q. So that the duty in respect to cotton blankets under the British preference still is 22½ per cent and 10 cents a pound? A. Yes.

Q. [illegible] "Provided for finer quality cotton fabrics, grey, bleached or coloured," I understand it has been used quite a bit recently for imports.

MR. MONDER: Q. What type cross under that, "Provided for finer quality cotton fabrics, grey, bleached or coloured"?

THE COMMISSIONER: There is that.

MR. MONDER: Near the bottom of the first page of exhibit 805.

MR. [illegible]: [illegible] counts of 100 or more.

MR. MONDER: Q. Counts of 100 or more? A. Yes.

Q. These would be very fine cottons? A. Yes.

Q. And under the British preference they are [illegible] 25 per cent and [illegible] and under the General [illegible] per cent and [illegible] A. Yes.

MR. MONDER: The next schedule, my lord, is artificial SILK, duties in effect now.

THE COMMISSIONER: That will be exhibit 806.

MR. MONDER: It is a memorandum of the duties on artificial silk.

EXHIBIT 806: Memorandum of the duties on artificial silk. Schedule "A" Customs Tariff Act as of May 2, 1936.

BY MR. McRUER: Q. Referring to Exhibit 806 you have certain raw materials enumerated here which go into the manufacture of artificial silk.

A. Yes, sir.

Q. Namely, cotton pulp, wood pulp, caustic soda, yarns in so far as they go into the fabric.

THE COMMISSIONER: Any excise tax there may be is dealt with in a separate exhibit.

THE WITNESS: Yes, my lord.

BY MR. McRUER: Q. Are such things as caustic soda the subject of excise tax in addition to the customs duty? A. Coming from the United States, but I do not believe any of it is imported so far as Courtaulds are concerned.

THE COMMISSIONER: I was thinking of cotton pulp particularly and wood pulp.

BY MR. McRUER: Q. Would cotton pulp be the subject of excise tax? A. Yes, sir.

Q. And these are the rates of customs duties in force now? A. Yes.

THE COMMISSIONER: This one Exhibit covers the whole field of artificial silk?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: And fabrics as well?

BY MR. McRUER: Q. That is correct, is it not? A. Yes, sir; but what might make it look confusing is that yarns at the bottom of the page were not put in proper order. It is not that

EXHIBIT 808: Memorandum of the duties on artificial silk. Schedule "A" Customs Tariff Act as of May 2, 1928.

BY MR. MONDER: Q. Referring to exhibit 808 you have certain raw materials enumerated here which go into the manufacture of artificial silk.

A. Yes, sir.

Q. Namely, cotton pulp, wood pulp, caustic soda yarns in so far as they go into the fabric.

THE COMMISSIONER: Any excise tax there may be is dealt with in a separate exhibit.

BY MR. MONDER: Q. Are such things as caustic soda the subject of excise tax in addition to the customs duty? A. Coming from the United States, but I do not believe any of it is imported so far as Canadian are concerned.

THE COMMISSIONER: I was thinking of cotton pulp particularly and wood pulp.

BY MR. MONDER: Q. Would cotton pulp be the subject of excise tax? A. Yes, sir.

Q. And these are the rates of customs duties in force now? A. Yes.

THE COMMISSIONER: This one exhibit covers the whole field of artificial silk?

MR. MONDER: Yes, my Lord.

THE COMMISSIONER: And fabrics as well?

BY MR. MONDER: Q. That is correct, is it not? A. Yes, sir; but what might make it look misleading is that yarns at the bottom of the page were not put in proper order. It is not that

way in my work sheet.

THE COMMISSIONER: Then the provisions of the tariff wtill continue to exist as to the manner in which prices are fixed?

THE WITNESS: The provisions of the customs law.

THE COMMISSIONER: Yes, the way valuations are fixed.

THE WITNESS: Yes, my lord.

MR. McRUER: Next is a history of tariff rates on yarns and fabrics of artificial silk.

THE COMMISSIONER: That will be Exhibit 807.

EXHIBIT 807: Summary of tariff rates on yarns and fabrics of artificial silk.

BY THE COMMISSIONER: Q. Does this go back to 1907? A. Prior to 1923 there was only one item in the tariff, and that was yarns imported by manufacturers.

Q. Where does this present memorandum begin? A. 1923.

BY MR. McRUER: Q. The artificial silk business prior to that was quite inconsequential, was it not, as far as you have been able to learn? A. Yes.

Q. You say that the artificial silk business was quite inconsequential before that time. Now the first item in this Exhibit 807 is artificial silk tops and waste, and your note is "The above is material mostly used for re-spinning." Then we have the duties on silk yarns. In 1928 they were 12½, 17½ and 20 per cent, and in 1930, 25, 30 and 35 per cent, and the duty to be not less than 28 cents per pound.

(Page 11715 follows)

way in my work sheet.

THE COMMISSIONER: Then the provisions of the tariff which [illegible] in which prices are fixed?

THE WITNESS: The provisions of the customs Act.

THE COURT REPORTER: Yes, the way valuations are fixed.

THE WITNESS: Yes, by Act.

MR. MONTGOMERY: Next is a history of tariff rates on yarns and fabrics of artificial silk.

[illegible] will be marked 807.

EXHIBIT 807: Summary of tariff rates on yarns and fabrics of artificial silk.

BY THE COMMISSIONER: Q. Does this go back to 1907? A. Prior to 1923 there was only one item in the tariff, and that was yarns imported by manufacturers.

Q. [illegible]

A. Yes.

BY MR. MONTGOMERY: Q. The artificial silk business prior to that was quite inconsequential, is it not, as far as you have been able to learn? A. Yes.

Q. You say that the artificial silk business was quite inconsequential before that time. Now the first item in this Exhibit 807 is artificial silk tops and waste, and your note is "The above is material mostly used for re-manufacturing." Then we have the duties on silk yarns. In 1928 they were 1d, 1/2d and 2d per [illegible], in 1930, 30 and 35 per cent, and the duty to be not less than 3s cents per pound.

Q. Then, there was a reduction in the British Preference in 1934; at least, there was a reduction in the amount of duty, and on the 2nd of May, 1936, as we learned before the item was split in two and became -- it was divided in respect to cellulose acetate and others, the acetate being 5 per cent and the others 20 per cent. Now, the fabrics; the ad valorem was increased in 1930 from 17 1/2 to 27 1/2 under the British Preference, from 32 1/2 to 40 under the Intermediate and from 35 to 45 under the General, and 30 cents, 40 cents and 40 cents a pound respectively. In May, 1936, the ad valorem was increased to 30 per cent as to the British Preference but the specific duty was taken off. Then, under the Canada-France trade agreement there is a reduction of 10 per cent ad valorem duty. What do you mean by that, Mr. Hooper ? A. Under the Canada-France trade agreement provision is made for a discount of 10 per cent of the ad valorem duty.

Q. Between what countries ? A. To the most Favoured Nationacountries.

Q. What are the most favoured nations countries ? A. Japan, France --

Q. Does Italy come under that ? A. Yes.

Q. And Germany ? A. I believe it does now.

Q. Well, don't bother anyway ? A. There is a list of them in the Tariff.

MR. HALLAM: Page 465.

MR. McRUER: We don't need tocother for themoment. I just wanted to get some of the larger countries.

Q. Then, there was a reduction in the British Preference in 1894; at least, there was a reduction the amount of duty, and on the 2nd of May, 1896, as I learned before the item was split in two and became -- it was divided in respect to cellulose acetate and others, the acetate being 5 per cent and the others 20 per cent. Now, the fabrics; the ad valorem was increased in 1896 from 17 1/2 to 27 1/2 under the British Preference, from 22 1/2 to 40 under the Intermediate and from 35 to 45 under the General, and 30 cents, 40 cents and 40 cents a pound respectively. In May, 1906, the adv valorem was increased to 30 per cent as to the British Preference but the specific duty was taken out. Then, under the German-France trade agreement there is a reduction of 10 per cent ad valorem duty. What do you mean by that, Mr. Hooper? A. Under the German-France trade agreement provision is made for a discount of 10 per cent of the ad valorem duty.

Q. Between what countries? A. To the most [illegible].

Q. What are the most favoured nation countries? A. Japan, France --

Q. Does Italy come under that? A. Yes.

Q. and Germany? A. I believe it does too.

Q. Well, don't bother anyway? A. There is a list of them in the tariff.

Mr. HEIGHAM: Page 456.

Mr. McKAY: We don't need to bother for the [illegible]

Now, we come to the item "Composed in part of artificial silk (the other fibre being generally cotton)". The same duties apply as on pure artificial silk; that is correct, isn't it ? A. At present, yes.

Q. So that if a manufacturer in Canada is manufacturing a fabric that is two per cent artificial silk and 98 per cent cotton he has the same protection for his fabric as one who is manufacturing a fabric entirely of artificial silk ? A. Yes, that is right, except that the value of the cotton fabric may be lower, and it would not be as high a percentage ad valorem, but it would be as large an amount.

Q. The amount of duty payable would not be as much; on the other hand the specific might be higher ? A. Yes.

Q. Because the cotton might be heavier than the artificial silk ? A. Yes.

Q. Now then, the next one -- what Exhibit number was that ?

ASSISTANT SECRETARY RENE: 807.

MR. McRUER: The next is the Customs duties in force at the present time on silk, my lord.

THE COMMISSIONER: On natural silk ?

MR.Mc RUER: Yes, my lord.

THE COMMISSIONER: That will be 808.

EXHIBIT NO. 808: Customs duties in force on silk as of May,1936.

MR.McRUER: Raw silk in singles in the gum, Free. That, of course, is subject again to excise tax ? A. Yes, sir.

Q. If it comes in from the United States; if it

Now, we come to the item "Composed in part of artificial silk (the other fibre being generally cotton)". The same duties apply as on pure artificial silk; that is correct, isn't it? A. At present, yes.

Q. So that if a manufacturer in Canada is manufacturing a fabric that is two per cent artificial silk and 98 per cent cotton he has the same preposition for his fabric as one who is manufacturing a fabric entirely of artificial silk? A. Yes, that is right, except that the value of the cotton fabric may be lower, and it would not be as high a percentage ad valorem, but it would be as large an amount.

Q. The amount of duty payable would not be as much; on the other hand the specific might be higher?

A. Yes.

Q. Because the cotton might be heavier than the artificial silk? A. Yes.

Q. Now then, the next one -- what exhibit number was that?

MR. HOWDEN: The next is the Customs duties in force at the present time on silk, my lord.

THE COMMISSIONER: On natural silk?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: That will be 808.

EXHIBIT NO. 808: Customs duties in force on silk as of July, 1930.

MR. WOULF: Raw silk in skeins in the gum, free. That, of course, is subject again to excise tax?

A. Yes.

Q. If it comes in from Japan, paying 22.77

comes directly from Japan is it subject to excise tax ? A. Yes. The main item, of course, is 560-A.

Q. The silk fabrics seem to have the largest protection of any of the items on the list, don't they ?

THE COMMISSIONER: On this one list you mean ?

MR.McRUER: Yes, my lord, of that types of silk. There is velvets and ribbons.

THE COMMISSIONER: What item are you referring to there ?

MR.McRUER: It is 560-A , my lord. It is 27 1/2 per cent British Preference, 40 per cent and ten cents per lineal yard, General 45 per cent and ten cents per lineal yard ? A. Considering that the raw material is free of duty your statement would be right.

Q. Yes; on the other hand if manufacturers of ribbons, for instance -- A. Well, those are lower. They were not raised.

Q. The protection there is lower and would the raw material be duty free ? A. Yes, in most cases.

Q. Well, there is an item in here, umbrella silk. Don't I see umbrella silk on here some place ? A. Yes, 802.

THE COMMISSIONER: Isn't there a mistake there ? You have "Under the Canada-France trade agreement 10 per cent of the Intermediate". Don't you mean less 10 per cent ? A. Yes, the word "less" has been left out, my lord. 802, Mr. McRuer.

BY MR. McRUER:Q.802 ? A. Yes, you see it is less 10 per cent.

Q. That is free from Great Britain, and there is 10 per cent and 20 per cent other the other items ?

Q. Is it subject to excise duty ?

A. Yes. The main item, of course, is 380-A.

Q. The silk fabrics seem to have the largest proportion of any of the items on the list, don't they ?

THE COMMISSIONER: On this one list you mean ?

MR. MCLEAN: Yes, my lord, of that types of silk. There is velvets and ribbons.

MR. OSLER, K.C.: What item are you referring to there ?

A. It is 380-A, my lord. It is 27 1/2 per cent British preference, 40 per cent and ten cents per linear yard, General 45 per cent and ten cents per linear yard ?

A. Considering that the raw material is free of duty your statement would be right.

Q. Yes; on the other hand if manufacturers of ribbons, for instance -- A. Well, those are I think they were not raised.

Q. The protection there is lower and would the raw material be duty free ?

A. Yes, in most cases.

Q. Well, there is an item in here, umbrella silk. Don't I see umbrella silk on here some place ?

A. Yes, 402.

MR. [illegible]: Isn't that a [illegible] ? You have "Under the Canada-France trade agreement 10 per cent of the Intermediate". Don't you mean less ? [illegible] been left out, my lord. 802, Mr. Rodger.

BY MR. MCLEAN: Q. 802 ?

A. Yes, you see it is less 10 per cent.

Q. That is free from Great Britain, and there is 10 per cent and 20 per cent other the other items ?

A. Yes.

Q. Do you know how long that has been free from Great Britain ? We will come to that in the next schedule, I take it. A. I don't think that is covered.

Q. You don't think that is covered ? A. No.

Q. We just had some correspondence about umbrella silk during the course of the inquiry ? A. That is free. That was changed on the second of May, 1936.

Q. The 2nd of May, 1936 ? A. Well, there was item 564-B, and that provided 10 per cent from Great Britain.

Q. Now, our next Exhibit is the history of the Tariff items on silk yarns and fabrics.

THE COMMISSIONER: That will be 809.

EXHIBIT No. 809: Summary of Tariff rates on real silk yarns and threads, broad silks, ribbons and narrow fabrics.

THE COMMISSIONER : How far back does that go ?

MR.Mc RUER: 1906, my lord.

THE WITNESS: That umbrella silk became free in May, 1936.

Q. The umbrella silk became free in May, 1936 ? A. Yes.

Q. I see; all right then.

THE COMMISSIONER: What is that you said ?

MR. McRUER: Umbrella silk became free in May, 1936.

THE WITNESS: From Great Britain.

BY THE COMMISSIONER: Q. Just in May, 1936 ? A. Yes.

A. Yes.

Q. Do you know how long that has been free from Great Britain? We will come to that in the next schedule, I take it. ... I don't think that is

5 ADMITTED.

Q. You don't think that is covered? A. No.

Q. We just had so a correspondence about umbrella silk during the course of the inquiry? A. That is free. That was changed on the second of May, 1956.

10 Q. The 2nd of May, 1956? A. Well, there was item 664-B, and that provided 10 per cent from Great Britain.

Q. Now, our next Exhibit is the history of the TARIFF items on silk yarns and fabrics.

15 THE COMMISSIONER: That will be 809.

EXHIBIT No. 809: Summary of Tariff rates on real silk yarns and thrown, broad silks, ribbons and narrow fabrics.

THE COMMISSIONER: How far back does that go?

20 MR. BIRD: 1948, or 1949.

THE WITNESS: That umbrella silk became free in May, 1956.

Q. The umbrella silk became free in May, 1956?

25 A. Yes.

Q. I see; all right then.

THE COMMISSIONER: What is that you said?

MR. MORGAN: Umbrella silk became free in May, 1956.

30 THE WITNESS: From Great Britain.

BY THE COMMISSIONER: Q. Just in May, 1956?

Q. The last budget ?

MR.McRUER: Yes, my lord. Now, the broad silk is the large and important item on this schedule. You say here "Broad silks, which were first made in Canada somewhere about the year 1922 or 1923, were dutiable as follows: 1907, 17 1/2, 27 1/2 and 30 per cent,"and apparently from 1907 to 1923 those duties would be revenue duties only ? A. Yes.

Q. 1928, Item 560a was 17 1/2, 32 1/2 and 35 per cent. There was an increase then. In 1930, 27 1/2, 40 per cent and 45 per cent. Then, there was a further increase in 1931 in the Intermediate and General; that is correct, is it not ? A. Yes.

Q. That is 10 cents per lineal yard was added in 1931 ? A. I notice there the girl has copied it item 568. That is not right. It is 560a.

Q. Item 568 ought to be 560a ? A. Yes.

BY THE COMMISSIONER: Q. What is that ? A. In 1930, my lord, item 568, shown as 568, it should be 560a.

Q. Well, you have one there, 1928 ? A. Yes, but underneath, that should be the same, my lord.

MR.McRUER: All right; now, our next fabric --

THE COMMISSIONER: What is this?

MR. McRUER: Woollens and Worsteds, my lord.

THE COMMISSIONER: 810.

EXHIBIT No. 810: Customs duties as of May 2nd, 1936 on Woollens and Worsteds.

THE COMMISSIONER: What is it, the present duties ?

MR. McRUER: The present duties; now, the yarns

Q. The last budget ?

MR. MONDER: Yes, my lord. Now, the broad silk is the large and important item on this schedule. You say here "Broad silks, which were first made in Canada somewhere about the year 1922 or 1923, were dutiable as follows: 1907, 17 1/2, 27 1/2 and 30 per cent," and apparently from 1907 to 1923 these duties would be revenue duties only ? A. Yes.

1923, item 586a was 17 1/2, 22 1/2 and 35 per cent. There was an increase then. In 1926, 27 1/2, 40 per cent and 45 per cent. Then, there was a further increase in 1931 in the Intermediate and General; that is correct, is it not ? A. Yes.

Q. What is 10 cents per linear yard was added in 1931 ? A. I notice there the girl has copied it item 588. That is not right. It is 586a.

Q. Item 588 ought to be 586a ? A. Yes.

BY THE COMMISSIONER: Q. What is that ? A. In 1930, my lord, item 588, shown as 588, it should be 586a.

Q. Well, you have one there, 1928 ? A. Yes, but nevertheless, that should be the same, my lord.

MR. MONDER: Are right? Sorry, we have fighting --

THE COMMISSIONER: What is this?

MR. MONDER: Woollens and worsteds, my lord.

THE COMMISSIONER: Yes.

EXHIBIT No. 810: Customs duties as of May 2nd, 1936 on woollens and worsteds.

THE COMMISSIONER: What is it, the present duties

MR. MONDER: The present duties; now, the years

are 10 per cent British Preference and 7 1/2 cents per pound, Intermediate 17 1/2 per cent and 15 cents, and General 20 per cent and 17 1/2 cents. The Fabrics 4 oz. for dyeing or finishing; now what is it you mean there, 4 oz. to the yard ? A. 4 Oz. to the yard.

Q. That is a very light woollen fabric ? A. Yes.

Q. Free under British Preference, Intermediate 25 per cent and 17 1/2 cents per lb., and General 30 per cent and 20 cents per lb. ? A. That 4 ounces is per square yard, not lineal yards.

Q. That is per square yard ? A. Yes.

Q. 6 Oz. for dyeing, 20 per cent and 9 1/4 cents, 25 per cent and 17 1/2 cents, and 30 per cent and 20 cents. Now, fabrics. This is suitings and overcoatings, 27 1/2 per cent and 17 cents a lb., 35 per cent and 30 cents a lb., 40 per cent and 35 cents a lb. "Provided, however, that the sum of the specific and ad valorem duties imposed by this Item on imports under the British Preferential Tariff shall not be in excess of .65¢ per pound)". Now then, will you let me have the history of these items. This is Exhibit number ---

THE COMMISSIONER: Is this a new one ?

MR.McRUER: It is the history of the woollen items, my lord.

THE COMMISSIONER: 811.

EXHIBIT No. 811: Summary of Tariff rates on certain woollen and worsted manufactures from 1907 to date.

THE COMMISSIONER: What year does it begin ?

A. 1907.

BY MR.Mc_RUER: Q. Now, the yarns appear to be

are 10 per cent British Preference and 7 1/2 cents per pound, Intermediate 17 1/2 per cent and 15 cents, and General 20 per cent and 17 1/2 cents. This fabrics 4 oz. for dyeing or finishing; now what is it you mean there, 4 oz. to the yard ?

A. 4 oz. to the yard.

Q. That is a very light woollen fabric ? A. Yes.

Q. Free under British Preference, Intermediate 25 per cent and 17 1/2 cents per lb., and General 30 per cent and 20 cents per lb. ? A. That 4 ounces is per square yard, not linear yards.

Q. That is per square yard ? A. Yes.

Q. 6 Oz. for dyeing, 30 per cent and 9 1/4 cents 25 per cent and 17 1/2 cents, and 30 per cent and 20 cents. Now, fabrics. This is suitings and overcoatings, 27 1/2 per cent and 17 cents a lb., 35 per cent and 20 cents a lb., 40 per cent and 25 cents a lb. "Provided, however, that the sum of the specific and ad valorem duties imposed by this item on imports under the British Preferential Tariff shall not be in excess of 45% per pound)". Now then, will you let me have the history of these items. This is British manufacture ---

THE CHAIRMAN: Is this a new one ?

MR. BENNETT: It is the history of the woollen industry first.

THE CHAIRMAN: Yes.

MR. BENNETT: Summary of Tariff rates on certain woollen and worsted manufactures from 1907 to date.

THE CHAIRMAN: What year does it begin ?

MR. BENNETT: 1907.

at the same rate of duty from 1907 to 19 --

A. 1928.

Q. 1928; Under the British Preference they were admitted free in 1928. The Intermediate was reduced from 17 1/2 to 10 per cent and the General from 20 per cent to 12 1/2 per cent. Then, in 1930 the ad valorem became 10 per cent and 10 cents per pound; that means "and 10 cents per pound" ? A. And 10 cents per pound.

Q. Pardon ? A. Yes sir.

Q. 17 1/2 per cent and 15 cents per pound and 20 per cent and 17 1/2 cents per pound. From 1932 to date the only change was under the British Preference, a reduction of 2 1/2 cents a pound in the specific duty. Now, there are some special items there I will not deal with. We will go on to the fabrics ? A. It starts at the bottom of the page.

Q. Yes; woollen flannels first. 1907, 22 1/2 per cent, 30 per cent and 35 per cent. 1922, 20 per cent, 30 per cent and 35 per cent. Now, woollen and worsted fabrics were increased -- the duties were increased in 1928 over what they had been from 1907 on; that is correct, is it not ? A.

MR. KELLOCK: Decreased in 1922.

THE WITNESS: Decreased in 1922.

BY MR. McRUER: Q. Yes, there had been a decrease in 1922. Then, there were no woollen and worsted fabrics, 5 ounces to the square yard, or less? A. Exceeding 5 ounces remained the same.

Q. Exceeding 5 ozs. remained the same ? A. Yes,

at the same rate of duty from 1907 to 19 --

A. 1928.

Q. 1928; Under the British preference they were admitted free in 1928. The intermediate was reduced from 17 1/2 to 10 per cent and the General from 20 per cent to 12 1/2 per cent. Then, in 1930 the ad valorem became 10 per cent and 10 cents per pound; that means "and 10 cents per pound" ? A. And 10 cents per pound.

Q. Which? A. The min.

A. 17 1/2 per cent and 15 cents per pound and 25 per cent and 17 1/2 cents per pound. From 1930 to date the only change was under the British preference, a reduction of 2 1/2 cents a pound in the specific duty. Now, there are some special items there I will not deal with. We will go on to the fabrics ? A. It starts at the bottom of the page.

Q. Yes; woollen flannels first. 1907, 22 1/2 per cent, 30 per cent and 35 per cent. 1922, 20 per cent, 30 per cent and 35 per cent. Now, woollen and worsted fabrics were increased -- the duties were increased in 1928 over what they had been from 1907 on; that is correct, is it not ? A.

MR. HEBLOCK: Decreased in 1922.

THE WITNESS: Decreased in 1922.

BY MR. MCKEEN: Q. Yes, there had been a decrease in 1922. Then, there were no woollen and worsted fabrics in the schedule prior to 1907 -- Examining the tariff analysis, one sees.

Q. Speaking 2-cent, presumably the year 1 or 10,

that is right.

Q. Then, in 1930 -- A. They were brought into one item.

Q. They were brought into one item, and a specific duty put on of 25, 30 and 35 cents per pound. In 1932 that was ~~the~~ reduced under the British Preference to 18 3/4 cents. Now then, was there no change -- Oh yes, then in 1935. On March 23rd, 1935, the British Preferential was reduced under Tariff item 554b, were reduced to 27 1/2 per cent -- A. And 17 cents per pound.

Q. And 17 cents per pound, with a provision that the sum of the specific and ad valorem duties imposed by this item on imports under the British Preferential tariff shall not be in excess of 65 cents per pound ? A. That is right.

Q. No change was made in the intermediate and general at that time ? A. No.

Q. So that the duties have remained as they were in 1932 with the exception of the limitation under the British Preferential that they must not exceed 65 cents a pound ? A. And the specific was reduced 1 3/4 cents.

Q. Oh yes, the specific was reduced 1 3/4 cents and that limitation put on as a maximun; that is correct is it not ? A. That is correct.

Q. All right, what is the next one ? This is -- Just a moment, this is the history. Have you got the items as in effect now ? A. Well, it is all one item.

Q. Knitted goods ? A. Yes.

that is right.

Q. Then, in 1930 -- A. They were brought into one item.

Q. They were brought into one item, and a specific duty put on of 25, 30 and 35 cents per pound. In 1932 that was reduced under the British Preference to 18 3/4 cents. Now then, was there no change -- Oh yes, then in 1935. On March 25rd, 1935, the British preferential was reduced under Tariff item 3540, were reduced to 27 1/2 per cent -- Q. and 17 cents per pound.

Q. And 17 cents per pound, with a provision that the sum of the specific and ad valorem duties imposed by this item on imports under the British Preferential tariff shall not be in excess of 55 cents per pound ? A. That is right.

Q. No change was made in the Intermediate and General at that time ? A. No.

Q. So that the duties have remained as they were in 1932 with the exception of the limitation under the British Preferential that they must not exceed 55 cents a pound ? A. And the specific was reduced 1 3/4 cents.

Q. Oh yes, the specific was reduced 1 3/4 cents and that limitation put on -- a maximum, that is correct is it not ? A. That is correct.

Q. All right, what is the next one ? This is -- just a moment, this is the history. Have you got the items on in order say ? -- Well, it is all one item.

Q. Between which ? A. Yes.

It is right down -- the 22nd of March to date, Item 568.

Q. You have just got one exhibit on it ? A. Yes, just one exhibit.

Q. The next is the history of the tariff on knitted goods, my lord.

THE COMMISSIONER: 812.

EXHIBIT No. 812: Summary of Tariff Rates on knitted goods.

THE COMMISSIONER: That means all knitted goods ?

MR.McRUER: Yes, my lord.

BY THE COMMISSIONER: Q. Of whatever material ? A. Yes, my lord.

BY MR.McRUER: Q. Well, that won't include all artificial silk or cotton knitted goods ? A. Yes, artificial silk, silk, woollen and cotton.

Q. They all come under this item ? A. Yes.

BY THE COMMISSIONER: Q. There must be a good reason for it. As I understand you now these other previous exhibits dealing with silks, cottons and woollens do not deal with knitted goods ? A. No, my lord.

Q. Knitted goods are made into one memorandum ? A. Yes. There is a special item for gloves and hosiery.

Q. As well, yes, I see.

BY MR. McRUER: Q. Your item at the top reads as follows:

"This deals not only with such articles as cardigans, pullovers and similar goods, which are composed of sections specially knitted for the purposes, but also includes garments such as

It is right down -- the 22nd of March to date, item 568.

Those have just been accepted on 1/7 -- Item just one exhibit.

Q. The next is the history of the tariff on knitted goods, my lord.

THE COMMISSIONER: 812.

EXHIBIT No. 812: Summary of tariff on knitted goods.

THE COMMISSIONER: That means all knitted goods.

MR.MONTGOMERY: Yes, my lord.

BY THE COMMISSIONER: Q. Of whatever material?

A. Yes, my lord.

BY MR.MONTGOMERY: Q. Well, that won't include artificial silk or cotton knitted goods? A. Yes, artificial silk, silk, woollen and cotton.

Q. They all come under this item? A. Yes.

BY THE COMMISSIONER: Q. There must be a good reason for it. As I understand you now there other previous exhibits dealing with silks, cottons and woollens do not deal with knitted goods? A. No, my lord.

Q. Knitted goods are made into one memorandum?

A. Yes. There is a special item for gloves and hosiery.

Q. As well, yes, I see.

BY MR. MONTGOMERY: Q. Your item at the top reads as follows:

"This deals not only with such articles as cardigans, pullovers and similar goods, which are composed of various specialty knitted fabrics, for the

underwear, which are, to a large extent, made from a knitted fabric produced in piece goods form which can be treated just like any other cloth, i.e., out to shape and the pieces sewn together to form garments or other articles.

"This also deals with the knitted fabric itself, which, by the way, is produced in tubular form, i.e. without a natural selvedge."

BY THE COMMISSIONER: Q. Natural what ? A. Selvedge, that is the edging on it.

Q. Yes, without any edge ? A. Yes.

Q. Has no edge of its own ? A. No.

MR.McRUER: " This knitted fabric will be dealt with separately as, for a period, it was embodied in woven fabric Items and treated according to material, i.e.,cotton, wool, silk, etc."

THE COMMISSIONER: How far back does this go?

MR.McRUER: 1907, my lord.

THE WITNESS: 1907, my lord.

BY MR.McRUER: Q. Now, in 1929 there appears to have been a reduction in tariff on some classes of knitted goods ? A. Yes.

Q. Those valued at 90 cents a pound or less were admitted under the British Preference at 15 per cent ? A. Yes.

Q. In September, 1930, these were all taken into one item, I take it, and under the British Preference it was 25 per cent ? A. Yes, and changed that to 35 per cent on the Intermediate.

Q. That is a mistake there ? A. That is a mistake

underwear, which are, to a large extent, made from a knitted fabric produced in piece goods form which can be treated just like any other cloth, i.e., cut to shape and the pieces sewn together to form garments or other articles.

This also deals with the knitted fabric itself, which, by the way, is produced in tubular form, i.e. without a natural selvedge."

BY THE COMMISSIONER: Q. Natural what?

A. Selvedge, that is the edging on it.

Q. Yes, without any edge? A. Yes.

Q. Has the value of its goods?

MR.MAHON: - With natural fabrics will be exactly with Spencely so. For a period, it was subsidised in woven fabric items and treated according to material, i.e., cotton, wool, silk, etc.

THE COMMISSIONER: How far back does this go?

MR.MAHON: 1907, my lord.

THE WITNESS: 1907, my lord.

BY MR.MAHON: Q. Now, in 1930 there appears to have been a reduction in tariff on some classes of knitted goods? A. Yes.

Q. Those valued at 90 cents a pound or less were admitted under the British Preference at 15 per cent?

A. Yes.

Q. In September, 1930, there were all taken into one item, I take it, and under the British Preference were 25 per cent? A. Yes, and changed that to 35 per cent as the intermediate.

Q. That is a mistake there? A. That is a mista

there.

Q. You see it is carried correctly down below ? A. Yes, 35 and 45.

BY THE COMMISSIONER: Q. Where is the mistake ? A. The 17th or September, 1930, item 568, the Intermediate tariff should read 35 per cent.

Q. Just a minute till I get this; whereabouts on the page ? A. About three-quarters of the way down.

Q. The 17th of September, 568, what is the correction ? A. 35 per cent under the Intermediate tariff.

Q. Instead of 25 ? A. Instead of 25.

BY MR. McRUER: Q. Now, in March, 1935, there apparently was a further increase under the Intermediate and General items by the addition of a specific duty of 25 and 30 cents a pound respectively ? A. Yes.

THE COMMISSIONER: In 1935, you say ?

MR. McRUER: 1933, my lord.

THE WITNESS: 1933.

BY THE COMMISSIONER: Q. Is this per pound ? A. That is per pound.

BY MR. McRUER: Q. Well now, the next portion of your memorandum, Mr. Hooper, deals with what ? A. Fabric in the piece goods, piece goods fabrics.

Q. Knitted fabrics in piece goods ? A. Yes.

Q. What is the distinction between that and knitted goods generally ? A. Well, you see, knitted goods generally in that particular case refers to the made-up article.

Q. Well, from 1930 the Customs duties seem

Q. You see it is carried correctly down below ?

A. Yes, 35 and 45.

BY THE COMMISSIONER: Q. What is the minutes ?

A. The 17th of September, 1930, item 588, the Intermediate tariff should read 35 per cent.

Just a minute till I get this; where about in the page ? A. About three-quarters of the way down.

Q. The 17th of September, 1928, what is the correction ? A. 35 per cent under the Intermediate tariff.

Q. Instead of 25 ? A. Instead of 25.

BY MR. MONTGOMERY: Q. Now, in March, 1929, there apparently was a further increase under the Intermediate and General items by the addition of a specific duty of 25 and 30 cents a pound respectively ? A. Yes.

THE COMMISSIONER: In 1929, you say ?

MR. MONTGOMERY: 1929, my lord.

BY THE COMMISSIONER: Q. Is this per pound ?

A. That is per pound.

BY MR. MONTGOMERY: Q. Well now, the next portion of your memorandum, Mr. Cooper, deals with what ?

A. Fabric in the piece goods, piece goods fabrics.

Q. Knitted fabrics in piece goods ? A. Yes.

Q. What is the distinction between that and knitted goods generally ? A. Well, you see, knitted goods generally is that particular case as far as the work-on article.

Q. Well, from 1920 the Canadian duties were

to have been the same as on the other knitted goods ? A. Yes. If you will make a change on the next page too, of September 17th, 1930, change that to 35 per cent.

BY THE COMMISSIONER: Q. The next page you say ? A. Yes, my lord.

Q. September 17th, 1930? A. Yes.

Q. The Intermediate should be 35 per cent; that is right ? A. Yes, that is right. You will notice in the piece goods, Mr. McRuer, in 1928 there was a provision for cottons, woollens, silk and artificial silk, the different rates of duty there.

BY MR.McRUER: Q. Well, the real silk and artificial silk seem to have been lower rates of duty in 1928 ? A. But they were shown separately. I was just pointing out they were shown separately there in 1928.

Q. All right, what is the next fabric ? A. Carpets.

Q. Could we not take wearing apparel until we exhaust it, hosiery ?

Page 11730 follows.

Q. You have this same as on the other printed goods ?
A. Yes. If you will make a change on the next page,
Mr. McCombber AVIN, Item, Schedule will be as pre-
sent.

BY THE COMMISSIONER: Q. The next page you say ?
A. Yes, my lord.

Q. September 17th, 1920? A. Yes.

Q. The Intermediate should be 35 per cent; that is
right ? A. Yes, that is right. You will notice in the
Plain Sewing, Mr. Newman, in 1922 there was a preferential
for cottons, woollens, silk and artificial silk, the
different rates of duty there.

BY MR.NEWMAN: Q. Well, the real silk and arti-
ficial silk seem to have been lower rates of duty in
1922 ? A. But they were shown separately. I was
just pointing out they were shown separately there in
1922.

Q. All right, what is the next fabric ? A. Carpets.
Q. Could we not take working apparel until we
exhaust it, Doherty ?

BY MR. LAZIER FOLLOWS.

Q. Now, this deal with the Tariff rates on hosiery? A. Yes.

Q. With the hosiery? A. Yes.

EXHIBIT 813: Summary of tariff rates on hosiery.

THE COMMISSIONER: This goes back to when?

MR. McRUER: 1907, my lord.

Q. Now, apparently until 1928 all socks and stockings were dutiable at 25%, 32½% and 35% respectively. Then in 1928 they were divided into different items, is that correct? A. Correct.

Q. Shown on your schedule? A. With a reduction on cotton stockings.

Q. And the woollens apparently 90 cents per pound or less? A. Yes.

Q. And in 1930 they were again grouped in one item and made dutiable 30%, 32½% and 35% with specific duties of $1.00, $1.35 and $1.50 per dozen? A. Yes, dozen pairs.

Q. In 1932 a reduction was made under the British Preference of 25¢ in the specific duty? A. Yes.

Q. And that remains to date as of that time? A. Yes.

Q. Now, the gloves and mitts are dutiable now at 25%, 35% and 45%. There is no specific duty on gloves and mitts at the present time.

Q. The preferential and intermediate are the same? A. Yes.

Q. Now, this deal with the tariff rates on hosiery? A. Yes.

Q. With the hosiery? A. Yes.

EXHIBIT B14: Summary of tariff rates on hosiery.

THE COMMISSIONER: This goes back to when?

MR. [illegible]: 1930.

Q. Now, apparently until 1930 all socks and stockings were dutiable at 25%, 35% and 35% respectively. Then in 1930 they were divided into different items, is that correct? A. Correct.

Q. Shown on your schedule? A. With a reduction on cotton stockings.

Q. And the woollens apparently 20 cents per pound or less? A. Yes.

Q. And in 1930 they were again grouped in one item and made dutiable 30%, 35% and 35% with specific duties of $1.00, $1.25 and $1.50 per dozen? A. Yes, dozen pairs.

Q. In 1932 a reduction was made under the British Preference of 25% in the specific duty? A. Yes.

Q. And that remains to date as of that time? A. Yes.

Q. Now, the gloves and mitts are dutiable now at 25%, 35% and 45%. There is no specific duty on gloves and mitts at the present time.

Q. The preferential and intermediate are the same? A. Yes.

Q. What next? A. I have blankets.

MR. McRUER: This is a history of the customs tariff on blankets.

EXHIBIT 814: Summary of tariff rates on blankets and rugs, 1907 to date.

THE COMMISSIONER: Rugs, that does not include carpets? A. No, my lord.

MR. KELLOCK: Steamer rugs.

MR. McRUER: Q. You mean by rugs, automobile and steamer rugs? A. Yes.

Q. Now, again, the impcrtant change appears to have taken place in 1930, when the specific duties of 20 ¢ a pound, 25¢ and 30¢ respectively were added without increasing the ad valorem duties except in the cotton blankets or there was an increase in ad valorem duties, in 1932, reduction under the British Preference? A. Of 10¢ per pound.

Q. The rest remained the same as they were at that time? A. Yes.

MR. McRUER: The next is a summary of tariff rates on carpets and rugs.

THE COMMISSIONER: That is all other rugs except automobile and steamer , is that right?

THE WITNESS: These are floor rugs. Floor rugs would be a better desdription of them.

EXHIBIT 815: Summary of tariff rates on rugs and carpets.

BY MR. McRUER: Q. From 1907 to 1930 the rate seems to have been the same throughout?

Q. What next? A. I have blankets.

MR. MORDEN: This is a history of the customs tariff on blankets.

EXHIBIT 814: Summary of tariff rates on blankets and rugs, 1907 to date.

THE COMMISSIONER: Rugs, that does not include carpets? A. No, no carpets.

Q. Woollen Oriental rugs.

MR. MORDEN: Q. You mean by rugs, automobile and steamer rugs? A. Yes.

Q. Now, again, the important change appears to have taken place in 1920, when the specific duties of 20 ¢ a pound, 25% and 30% respectively were added without increasing the ad valorem duties except in the cotton blankets or there was an increase in ad valorem duties, in 1922, reduction under the British Preference? A. Of 1¼ per pound.

Q. The rest remained the same as they were at that time? A. Yes.

MR. MORDEN: The next is a summary of tariff rates on carpets and rugs.

THE COMMISSIONER: That is all other rugs except automobile and steamer, is that right?

MR MORDEN: Those are floor rugs. Floor rugs would be a better description of them.

EXHIBIT 815: Summary of tariff rates on rugs and carpets.

BY MR. MORDEN: Q. From 1907 to 1920 the rate

A? Yes, sir.

Q. 25%, 30% and 35%? A. Yes, sir.

Q. 1930, ad valorem was increased in all cases by 5% or made 5% greater really and specific of 10¢ 15¢ and 20¢ per square foot? A. A 9 by 12 rug would be $19.80, specific duty, less 10%, of course.

MR. KELLOCK: 50% reduction in 1932.

THE COMMISSIONER: What is it per square foot?

MR. McRUER: 10¢ per square foot, which would be 90 cents per square yard.

MR. KELLOCK: That is, less 10%.

MR. McRUER: Yes, and 30% in addition to that.

THE COMMISSIONER: The 30% would be on all of them?

MR. Mcruer: Yes.

THE COMMISSIONER: The 10¢ per square foot would operate against the big ones? A. Against the cheap ones.

THE COMMISSIONER: The big ones would be the cheap ones?

MR. McRUER: A small expensive rug would be taxed less than a large inexpensive one.

Q. Then in 1935 there seems to have been some change: "Oriental and imitation oriental rugs or carpets and carpeting, carpets and rugs, n.o.p. (a) if valued at less than two dollars per square yard, 30% and 3¢ per square foot. 35¢ and 15¢ per square foot. 40% and 20¢ per square foot. If valued at

A? Yes, sir.

Q. 1930, ad valorem was increased in all cases by 5% or made 5% greater really and specific of 10% 15% and 20% per square foot? A. A 9 by 12 rug would be $10.50, specific duty, less 10%, of course.

MR. ALLCOCK: 30% reduction in 1932.

THE COMMISSIONER: What is it per square foot?

MR. MONTGOMERY: 10¢ per square foot, which would be 90 cents per square yard.

MR. ALLCOCK: That is, less 10%.

MR. MONTGOMERY: Yes, and 30% in addition to that.

THE COMMISSIONER: The 30% would be on all of them?

MR. MOTWOT: Yes.

THE COMMISSIONER: The 10¢ per square foot would operate against the big ones? A. Against the cheap ones.

THE COMMISSIONER: The big ones would be the cheap ones?

MR. MONTGOMERY: A small expensive rug would be taxed less than a large inexpensive one.

Q. Then in 1935 there seems to have been some change: "Polished and Linoleum Material that" or carpets and carpeting, carpets and rugs, n.o.p. (4) If valued at less than one dollar per square yard, 20% and so per square foot. Not only the per square foot. Well, you can say per square foot. If valued at

$2.00 or more per square yard, 30% and 5¢ per square foot, and the rest the same as they were. All these items are the same as they were.

THE COMMISSIONER: No, the five cents is different than the three cents.

MR. McRUER: Q. Apparently the rugs valued at less than $2.00 per square yard were the only ones that were affected by the change in 1935? A. Yes.

Q. Then your further note: "Under the New Zealand trade Agreement, rugs, floor or carpets, of wool, 25%." A. Yes.

Q. No specific duty on those? A. No, no specific duties.

Q. That is all the customs duties? A. Yes, sir.

MR. McRUER: Then we will put in the table on the excise.

THE COMMISSIONER: Q. Are the excise taxes always ad valorem? A. Yes, as far as we are concerned. There are specific ---

Q. I am talking of textiles. You are about to put in the excise tax and they are all ad valorem tax? A. Yes, ad valorem tax on the duty paid value.

MR. McRUER: Q. Now, you have got the history of the excise tax but it does not say what it applies to? A. Applies to all the things we have dealt with.

Q. Or already put which you, and do not assume that and the rest the same as they were. All those items are the same as they were.

THE COMMISSIONER: No, the five cents is different from the three cents.

MR. MORGAN: Q. Apparently the rugs valued at less than $5.00 per square yard were the only ones that were affected by the change in 1928? A. Yes.

Q. Then your further note: "Under the new tariff trade agreement, rugs, floor or carpets, of wool, 35%." A. Yes.

Q. No specific duty on those? A. No, no specific duties.

Q. That is all the customs duties? A. Yes, sir.

MR. MORGAN: Then we will put in the table on the valuation.

THE COMMISSIONER: Q. Are the excise taxes always ad valorem? A. Yes, as far as we are concerned. There are specific ---

Q. I am talking of textiles. You are about to put in the Excise Tax and only one ad valorem tax? A. Yes, ad valorem tax on the duty paid value.

MR. MORGAN: Q. Now, you have got the history of the excise tax but it does not say what it applies to. Q. Mention to all the things on page 1 of the table.

Q. Just what do you mean? A. All the articles, fabrics, yarns, raw cottons.

Q. So that in addition to these duties that we have been dealing with there is a further excise duty of 3%? A. Except provided here.

THE COMMISSIONER: You say it applies not only to British Preference but under trade agreements between Canada and other British countries.

Q. This is statement of rates of excise tax on textiles, is that right? A. Yes, that would cover it very nicely.

MR. McRUER: Q. At any rate, it would cover all the items we have dealt with this morning and this afternoon? A. Yes.

Q. In respect of which we have filed rates of customs duties? A. Yes, sir.

Q. These excise taxes would be leviable as you have indicated here? A. Yes, sir.

Q. Well, with the exception of the articles that are on the free list it would be a further protection of 3% ad valorem to Canadian manufacturers ?

A. There is a certain---

THE COMMISSIONER: Of course, it would include even those on the free list.

MR. McRUER: That is true.

THE WITNESS: What is referred to there is restricted free list to which the excise duty applies, restricted list free of excise duty.

Q. Just what do you mean? A. All the articles, fabrics, yarns, raw cottons.

Q. So that in addition to those duties that we have been dealing with there is a further excise duty of 3%? A. Except provided here.

THE COMMISSIONER: You say it applies not only to British Preference but under trade agreements between Canada and other British countries.

Q. This is statement of rates of excise tax on textiles, is that right? A. Yes, that would cover it very nicely.

MR. MORGAN: Q. At any rate, it would cover all the items we have dealt with this morning and this afternoon? A. Yes.

Q. In respect of which we have filed rates of [illegible] RATIAMY A. Yes, sir.

Q. These excise taxes would be leviable as you have indicated here? A. Yes, sir.

Q. Well, with the exception of the articles that are on the free list, the 3% ad valorem to Canadian manufacturers?

A. There is a certain---

Q. Small amount of yarns, it would implicate even those on the free list.

MR. MORGAN: That is true.

THE COMMISSIONER: Does it seem to [illegible] to [illegible] [illegible] the various duty analysis, [illegible] [illegible] excise duties.

Q. Take the first item, you have June 2nd, 1931, to April 6th, 1932, one per cent. on importations. Restricted list free - what is the restricted list? A. I have never seen it. It is just a few articles there on which there is no excise tax.

Q. There are some articles free of excise? A. Yes, some articles free of excise.

Q. That is the case even to-day, I see? A. Yes, that is the case even to-day. There is noexcise tax on an item which is covered by excise duties.

MR. McRUER: Q. Liquor? A. Liquor.

THE COMMISSIONER: We are dealing with textiles only.

Q. What do you say as to textiles? Are there certain textiles? A. No, my lord.

Q. That is not applicable? A. That is not applicable to textiles.

THE COMMISSIONER: Q. Well, the word here is misleading.

MR. McRUER: As far as our enquiry is concerned we could strike those words out.

THE COMMISSIONER: Q. So that the words can be struck out "Restricted free list" wherever the words occur? A. Yes.

Q. We are dealing only with textiles and there is no free list in that case. A. No.

MR. McRUER: Q. June 2dn, 1931 to April 6th, 1932, 1% on importations. April 7th, 1932 to April 18th,

Q. Take the first item, you have June and, 1951, to April 5th, 1952, one per cent, on importations. Restricted list free - what is the restricted list?

A. I have never seen it. It is just a few articles there on which there is no excise tax.

Q. There are some articles free of excise? A. Yes, some articles free of excise.

Q. That is the case even to-day, I ask? A. Yes, that is the case even to-day. There is no excise tax on an item which is covered by excise duties.

MR. MORDEN: Q. Liquor? A. Liquor.

THE COMMISSIONER: We are dealing with textiles only.

Q. What do you say as to textiles? Are there certain textiles? A. No, no tax.

Q. That is not applicable? A. That is not applicable to textiles.

THE COMMISSIONER: Q. Well, the word here is misleading.

MR. MORDEN: As far as our enquiry is concerned we could strike those words out.

THE COMMISSIONER: Q. So that the words can be struck out "excluded from duty whatever may apply" occur? A. Yes.

Q. We are dealing only with textiles and there is no free list in that case. A. No.

Q. [illegible] Q. Well, then, I ask you, I think, in an investigation, April 9th, 1952 to April 14th,

1934, 3% on importations. April 19th, 1934, to March 22nd, 1935, 1½% on importations entitled to entry under the British Preferential tariff or under trade agreements between Canada and other British countries. March 23rd, 1935, 3% on importations. Special excise tax does not apply on importations entitled to entry under the British Preferential tariff or under trade agreement between Canada and other British countries.

THE COMMISSIONER: Q. Since this is called excise tax, does it apply also to domestic articles?

A. No, my lord.

Q. As in the case of liquor, for instance? A. That is an excise duty in the case of liquor.

Q. You are distinguishing tax and duty that way. This is called excise tax - it is really in addition to the protection? A. Yes.

Q. Because the Canadian article does not pay it?

A. No. An importer may import raw material and he will pay import duty on his raw material.

MR. McRUER: Q. It is an excise tax that applies only on importations? A. Yes, sir.

MR. KELLOCK: Except from foreign countries.

MR. McRUER: If it does not apply it does not apply. It is an excise tax that applies only to importations.

EXHIBIT 816: Statement of rates of special excise tax as applied to textile imports from 1931 to date.

Q. Have we exhausted the possibilities of those

1934, 5% on importations. April 19th, 1934, to March 22nd, 1935, 14% on importations entitled to entry under the British Preferential tariff or under trade agreements between Canada and other British countries. March 23rd, 1935, 5% on importations. Special excise tax does not apply on importations entitled to entry under the British Preferential tariff or under trade agreement between Canada and other British countries.

THE COMMISSIONER: Q. Since this is called excise tax, does it apply also to domestic articles?

A. No, my Lord.

Q. As in the case of liquor, for instance? A. That is an excise duty in the case of liquor.

Q. You are distinguishing tax and duty that way. This is called excise tax - it is really in addition to the protection? A. Yes.

Q. Because the Canadian article does not pay it?

A. No. An importer may import raw material and he will pay import duty on all and manufacture.

MR. MONTAGUE: Q. It is an excise tax that applies only on importations? A. Yes, sir.

MR. KELLOCK: Except from foreign countries.

MR. MONTAGUE: If it does not apply it does not apply. It is an excise tax that applies only to importations.

Further Q.: Statement of revenue derived excise tax as applied to textile imports from 1921 to date.

Have we calculated the percentage of import

schedules? A. Of this, yes.

THE COMMISSIONER: Well now, is the matter complete? This sets out the rates but unless I am made acquainted with the way in which valuations are arrived at, at which these rates are assessed, I think the case is not complete.

MR. McRUER: That is our next step. Mr. Hooper has a whole collection of material here on that subject.

Q. Well now, I am just not quite clear which is the better way to proceed with this, whether to proceed with the --- A. We have only ---

Q. What is in force at the present time or what has been in force over a period of years? A. We have covered that.

Q. No, the methods of valuation? A. We have brought that up to April, 1936.

MR. McRUER: Well, we better review that I think for the purpose of the record.

THE COMMISSIONER: I think I will give you about 10 minutes adjournment.

MR. McRUER: We will review the evidence Mr. Hooper gave earlier in reference to valuations, just shortly.

-- Adjourned at 3.35 P.M.

-- On resuming:

MR. McRUER: Q. Now, Mr. Hooper, first is the general basis of valuations for duty that I want, and that is what? A. Section which is now known as Section

schedules? A. Of this, yes.

THE COMMISSIONER: Well now, is the matter complete? This sets out the rates but unless I am made acquainted with the way in which valuations are arrived at, at which those rates are assessed, I think the case is not complete.

MR. MORDEN: That is our next step. Mr. Hooper has a whole collection of material here on that subject.

Q. Well now, I am just not quite clear which is the better way to proceed with this, whether to proceed with the --- A. We have only ---

Q. What is in force at the present time or what has been in force over a period of years? A. We have covered that.

Q. No, the methods of valuation? A. We have brought that up to April, 1936.

MR. MORDEN: Well, we better review that I think for the purpose of the record.

THE COMMISSIONER: I think I will give you exact 10 minutes adjournment.

MR. MORDEN: We will review the evidence Mr. Hooper gave earlier in reference to valuations, just shortly.

-- Adjourned at 4.05 p.m.

-- On resuming:

MR. MORDEN: Q. Now, Mr. Hooper, first in the matter of valuations for --- Yes I know, and that is what? A. Section which is now known as Section

35 of the Customs Act.

Q. And just summarize it, please? A. The value for duty shall be fair market value of the same article when sold for home consumption in the usual and ordinary course in the country when the same are exported directly to Canada.

Q. To deal first with an exception which is really an additional duty and that is, the dumping duty - the dumping duty is applied under what section? A. Section 6 of the Customs Tariff Act.

THE COMMISSIONER: You have office copies of those Acts?

MR. McRUER: They are all in this little folder, my lord.

THE COMMISSIONER: Q. There is just the one Customs Act and regulation made under that Act? A. Yes, my lord.

Q. Where is the other? A. That is in the Customs Tariff.

THE COMMISSIONER: Does this contain both these Acts?

MR. McRUER: No, just the Customs Tariff Act. We have other copies of the Customs Act that are brought down to date.

the WITNESS: It might be convenient to file this pamphlet which contains Section 6 of the Customs Act.

MR. McRUER: "In the case of articles exported

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Ss of the Customs Act.

Q. And just summarize it, please? A. The value for duty shall be fair market value of the same article when sold for home consumption in the usual and ordinary course in the country when the same are exported directly to Canada.

Q. To deal first with an exception which is really an additional duty and that is, the dumping duty - the dumping duty is applied under what section? A. Section 6 of the Customs Tariff Act.

THE COMMISSIONER: You have office copies of those Acts?

MR. MONDER: They are all in this little folder, my lord.

THE COMMISSIONER: Q. There is just the one Customs Act and regulation made under that Act? A. Yes, my lord.

Q. Where is the other? A. That is in the Customs Tariff.

THE COMMISSIONER: Does this contain both these Acts?

MR. MONDER: Yes, just the Customs Tariff Act.

We have other copies of the Customs Act that are brought down to date.

THE COMMISSIONER: It might be convenient to file this pamphlet which contains Section 6 of the Customs Act.

MR. MONDER: In the case of articles exported

to Canada of a class of kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, or in less than the fair market value or value for duty thereof as determined under the provisions of section thirty-six of the Customs Act."

THE COMMISSIONER: I will have to look at that specially then.

THE WITNESS: The part read before that refers to Section 35 of course, because that is the fair market value for home consumption.

MR. McRUER: "or is less than the value for duty thereof as determined by the Minister under the provisions of paragraphs (a) and (e) of section forty-one of the Customs Act....."

THE COMMISSIONER: These last refers to both the Customs Act, you notice. In lines 3 where the word "fair market value" is used, Mr. Hooper refers to Section 35 - you mean of the Customs Act or the Customs Tariff Act? A. Customs Act, my lord.

MR. McRUER: Q. Now, I suppose you can just give us for the purpose of the record, not, we will say, verbatim from the Acts but the substantial provision. We will start off with 35 of the Customs Act. That

in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, or in less than the fair market value or value for duty thereof as determined under the provisions of section thirty-six of the Customs Act."

THE COMMISSIONER: I will have to look at that specially then.

THE WITNESS: The part read before that refers to Section 35 of course, because that is the fair market value for home consumption.

MR. MORDEN: "or is less than the value for duty thereof as determined by the Minister under the provisions of paragraphs (a) and (e) of section forty-one of the Customs Act....."

THE COMMISSIONER: These last refers to both the Customs Act, you notice. In lines 3 where the word "fair market value" is used, Mr. Hooser, refers to Section 35 - you mean of the Customs Act or the Customs Tariff Act? A. Customs Act, my lord.

MR. MORDEN: Q. Now, I suppose you can just give us for the purpose of the record, not, we will say, varieties from the data but the substantial varieties - we will start off also of the Canadian art. That

is provision that the value e for duty shall be---

A. Shall be not less than is sold for home consumption.

Q. Than the price sold for home consumption.

As I have it here:

"35. Whenever any duty ad valorem is imposed on any goods imported into Canada, the value for duty shall be the fair market value thereof, when sold for home consumption in the principal markets of the country whence....."

THE COMMISSIONER: What are you reading from?

MR. McRUER: I am reading from the Customs Act, Section 35.

"...and at the time when the same were exported directly to Canada.

2. In the case of importations of goods the manufacture or produce of a foreign country the currency of which is substantially...."

THE WITNESS: No, that is sub-section there, that is not referred to at all in Section 6 of the Customs Tariff, which is the Section 35, nothing after that.

Q. 35 (1)? A. Yes. It is not marked (1) but it is 35. We refer to it quite often as sub-section (1).

Q. Well, it is sub-section 1? A. Yes.

THE COMMISSIONER: Section 6 of the Customs Tariff Act is drafted in a curious way. It refers to the fair market value in language and then simply refers to Section 36 of the other Act about something.

is provision that the value for duty shall be---

A. Shall be not less than is sold for home consumption.

Q. Then the price sold for home consumption.

As I have it here:

"35. Whenever any duty ad valorem is imposed on any goods imported into Canada, the value for duty shall be the fair market value thereof, sold for home consumption in the principal markets of the country whence....."

THE COMMISSIONER: What are you reading from?

MR. HOWLAND: I am reading from the Customs Act, section 35.

"...and at the time when the same were exported directly to Canada.

3. In the case of importations of goods the manufacture or produce of a foreign country the currency of which is substantially...."

THE CHAIRMAN: No, that is sub-section three, that is not referred to at all in section 5 of the Customs Tariff, which is the section 35, nothing after that.

Q. 35 (1)? A. Yes. It is not marked (1) but it is 35. We refer to it quite often as sub-section (1).

Q. Well, it is sub-section 1? A. Yes.

THE COMMISSIONER: Section 5 of the Customs Tariff not is drafted in a curious way. It refers to the fair market value in language and then simply refers to Section 35 of the other Act about something.

Then there is nothing in it to refer to sub-section 2 of Section 35?

MR. McRUER: No, just uses the language substantially of sub-section 1, 35.

THE COMMISSIONER: It is misleading.

THE WITNESS: They don't want to provide for dumping duties - at least they have not up until now wanted to provide for dumping duty. If appraisal made in 1933, 1934, 1935. They don't want to collect dumping duties under those sections if appraisal is made under Section 35 (2). Parliament has never authorized collection of dumping duties under those sections if appraisals were made under those sections.

THE COMMISSIONER: That is, if the question of currency is disposed of under sub-section 2 of 35, that is the end of it? A. That is the end of it. Only pay regular duty under that value---

Q. Are you sure of that? A. Yes, my lord.

Q. So that you do not have the two dumping duties apply to the same article. The original dumping means this - it means selling abroad at a lesser price than you sell at home. That is what it covered here in Section 6, when it says: "Fair market value." ? A. Yes.

Q. To that was added a second provision which is also called currency dumping, providing that if the foreign currency is less than our own--- A. And it is proclaimed.

Then there is nothing in it to refer to sub-section 8 of section 3?

MR. MORGAN: No, just uses the language substantially of sub-section 1, 35.

THE COMMISSIONER: It is misleading.

THE CHAIRMAN: They don't want to provide for dumping duties - at least they have not up until now wanted to provide for dumping duty. If appraisal made in 1926, 1927, they don't want to collect dumping duties under those sections if appraisal is made under section 35 (2). Parliament has never authorized collection of dumping duties under those sections if appraisals were made under those sections.

THE COMMISSIONER: That is, if the question of currency is disposed of under sub-section 2 of 35, that is the end of it? A. That is the end of it. Only any regular duty under that section---

Q. Are you sure of that? A. Yes, my lord.

Q. So that you do not have the two dumping duties apply to the same article. The original dumping means this - it means selling abroad at a lesser price than you sell at home. That is what it covered here in Section 8, when it says: "Fair market value." ? A. Yes.

Q. To that was added a second provision which is also called currency dumping, providing that if the foreign currency is less than our own--- A. and it is proclaimed.

Q. You mean to say when that second provision operates and currency is adjusted, even if the price is still inferior to fair market value at home, the other dumping is not--- A. No, I don't mean that. I thought you were referring to Section 35, (2).

Q. I am? A. That provides in Section 35 (2) that where a currency is substantially depreciated, the value for duty shall not be less than the value that would be placed on similar goods manufactured or produced in Great Britain and imported from that country. All you do in that case is use the value of British goods to appraise those.

Q. No matter where the goods happen to come from? A. Yes.

Q. And no matter what the difference may be between the price at which those goods are sold where they are made andfair market price in Canada? A. In Great Britain.

Q. Well, in Canada. As I understand you, the Department simply goes to Great Britain, taking where Japanese currency is depreciated in respect to our dollar? A. Yes.

Q. And dealing with Japanese goods you do not have any regard to the fair market value of article when sold in Japan? A. We do, but we may use this other section to appraise goods.

Q. What? A. Section 35- (2).

Q. On the prive in Great Britain? A. Yes,sir,

Q. You mean to say when that second proviaion operates and currency is adjusted, even if the price is still inferior to fair market value at home, the other dumping is not--- A. No, I don't mean that, I thought you were referring to section 35, (2).

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Q. No matter where the goods happen to come from? A. Yes.

Q. And no matter what the difference may be between the price at which those goods are sold where they are made and their market price in Canada? A. In Great Britain.

Q. Well, in Canada. As I understand you, the Department simply goes to Great Britain, taking where Japanese currency is depreciated in respect to and Britain? A. Yes.

Q. And dealing with Japanese goods you do not have any regard to the fair market value of article when sold in Japan? A. We do, but we may use this other section to appraise goods.

Q. [illegible] (2).

Q. On the price in Great Britain? A. Yes, sir,

and if the Department did that there is no provisio for the collection of special duty.

Q. On the other? A. On that importation.

MR. McRUER: Q. The appreised value becomes the value for duty? A. The appraised value becomes value for duty only, not the value for special duty.

Q. Even if one could conceive of a case, for instance, where value in Great Britain would still be less than the value sold in Japan for home consumption, still the appraised value would be value for duty.

A. I don't think the Department would know anything about the value in that case.

(Page 11745 follows)

and if the Department did that there is no provision for the collection of special duty.

Q. On the other? A. On that importation.

MR. MORTON: Q. The appraised value becomes the value for duty? A. The appraised value becomes value for duty only, not the value for special duty.

Q. Even if one could conceive of a case, for instance, where value in Great Britain would still be less than the value sold in Japan for home consumption, still the appraised value would be value for duty.

A. I don't think we should have anything about the value in that case.

(Page 1743 follows)

THE COMMISSIONER: Subsection 1 is still there. Then it says what the value for duty shall be, "the value for duty shall be the fair market value thereof, when sold for home consumption in the principal markets of the country whence and at the time when the same were exported directly to Canada. Then subsection 2 says:

"In the case of importations of goods the manufacturer of produce of a foreign country, the currency of which is substantially depreciated, the value for duty shall not be less than the value that would be placed on similar goods manufactured or produced in Great Britain and imported from that country if such similar goods are made or produced there."

THE WITNESS: That subsection has not been used very extensively.

BY THE COMMISSIONER: Q. Which section? A. Subsection 2, only in one or two cases at the most.

Q. It must have been used against Japanese goods? A. Only in one or two cases.

MR. McRUER: In the inquiry at Montreal it was suggested in conference with the ministers here that they should explore the possibilities of using that section, and Mr. Gordon, in his letter to Mr. Dunning after the conference, explained to Mr. Dunning why he did not think it was possible to use that section.

THE CHAIRMAN: Subsection 1 is still there. Then it says what the value for duty shall be, "the value for duty shall be the fair market value thereof, when sold for home consumption in the principal markets of the country whence and at the time when the same were exported directly to Canada. Then subsection 2 says:

"In the case of importations of goods the manufacture of produce of a foreign country, the currency of which is substantially depreciated, the value for duty shall not be less than the value that would be placed on similar goods manufactured or produced in Great Britain and imported from that country if such similar goods are made or produced there."

THE WITNESS: That subsection has not been used very extensively.

BY THE COMMISSIONER: Q. Which section? A. Subsection 2, only in one or two cases at the most.

Q. It must have been used against Japanese goods? A. Only in one or two cases.

Mr. McGUIGAN: In the inquiry at Montreal it was suggested in conference with the ministers here that they should explore the possibilities of making that amendment, and Mr. Martin, in his letter to Mr. Manning after the conference, explained to Mr. Manning why in the end it was possible to use that section.

MR. BLAIR GORDON: It is just as Mr. Hooper says, it is only for duty, not for special duty. That is the whole point of that section.

MR. McRUER: But that is dealt with in the correspondence in regard to Japanese goods.

MR. KELLOCK: Your Lordship may have in mind that there is still subsection 9 of section 6 of the Customs Tariff Act.

THE COMMISSIONER: It is rather a lengthy one. I shall not read it now.

THE WITNESS: That is only giving authority to fix the rate of exchange and other things afterwards.

BY MR. McRUER: Q. In any case, then, Mr. Hooper, I want to get a more practical application of the law in the ordinary course and as it has been applied, say, under subsection 2, where action has very rarely, you say, been taken. A. Very rarely been taken.

Q. So that as far as that goes, for whatever we may study it, from your point of view it has been made little use of.

BY THE COMMISSIONER: Q. Do you mean to say that the use of it has very rarely been made because of subsection 9? A. No, that would not have anything to do with it.

MR. McRUER: The difficulty, as I understand it, in taking goods imported from Japan and going to England and finding out what similar goods would sell for in England, and matching the goods and all that, it is rather impractical?

THE WITNESS: That is right.

MR. BLAIR GORDON: It is just as Mr. Hooper says, it is only for duty, not for special duty. That is the whole point of that section.

MR. MCTAGGART: But that is dealt with in the correspondence in regard to Japanese goods.

MR. MACLEAN: Your Lordship may have in mind that there is still subsection 9 of section 6 of the Customs Tariff Act.

THE COMMISSIONER: It is rather a lengthy one. I shall not read it now.

[illegible] to fix the rate of exchange and other matters afterwards.

BY MR. GORDON: Q. In any case, then, Mr. Hooper, I want to get a more practical application of the law in the ordinary course and as it has been applied, say, under subsection 2, where action has very rarely, you say, been taken. A. Very [illegible].

Q. So that so far as that goes, for whatever we may study it, from your point of view it has been made little use of.

BY MR. [illegible]: Q. Do you mean to say that the use of it has very rarely been made because of same action ? A. No, that would not have anything to do with it.

MR. MACLEAN: The difficulty, as I understand it, in [illegible] goods [illegible] to England and finding out what similar goods could sell for in England, and deducting the goods and all that, it is rather impractical.

THE [illegible]: That is right.

BY THE COMMISSIONER: Q. What is the procedure when importations take place from Japan where the currency is depreciated? A. The value for duty in that case is the fair market value.

Q. Fair market value where? A. In Japan, the fair market value which has been certified to on the customs invoices, and computing it at the proclaimed rate, which is 39½ cents to the yen.

Q. That proclaimed rate is under clause 9, is it not ? A. Yes.

Q. That is what I was saying. That seems to be the way it is handled.

MR. McRUER: It is handled in that way; there is no question about that.

THE WITNESS: Quite so.

BY MR. McRUER: Q. To proceed with the application of the dumping duty, there are one or two other sections that must be taken into consideration in arriving at the values for duty? A. Yes.

Q. Section 36 of the Customs Act? A. Yes.

THE COMMISSIONER: I see there is a note here that subsection 1 of section 36 was repealed.

THE WITNESS: Yes. Here is the last copy of the act.

MR. McRUER: Section 36 of the Customs Act reads:

"The value for duty of new or unused goods shall in no case be less than the actual cost of production of similar goods at

BY THE COMMISSIONER: Q. What is the procedure when importations take place from Japan where the currency is depreciated? A. The value for duty in that case is the fair market value.

Q. Fair market value where? A. In Japan, the fair market value which has been certified to on the customs invoices, and computing it at the proclaimed rate, which is 60% cents to the yen.

Q. That proclaimed rate is under clause 9, is it not? A. Yes.

Q. That is what I was saying. That seems to be the way it is handled.

Mr. MORDEN: It is handled in that way; there is no question about that.

MR. HUTCHESON: Quite so.

BY MR. MORDEN: Q. To proceed with the application of the dumping duty, there are one or two other sections that must be taken into consideration in arriving at the values for duty? A. Yes.

Q. Section 45 of the Customs Act? A. Yes.

THE COMMISSIONER: I see there is a note here that presumably I am supposed to read into the record. Shall I do that?

MR. MORDEN: Subsection 45 of the Customs Act reads:

"The value for duty of new or unused goods shall in no case be less than the normal cost of production of similar goods at

date of shipment direct to Canada plus a reasonable advance for selling cost and profit, such advance not to be greater than that which in the ordinary course of business under normal conditions of trade, is added, in the case of goods similar to the particular goods under consideration, by manufacturers or producers of goods of the same class or kind in the country of export when sold for home consumption.

36A. The Governor in Council, whenever it is deemed expedient to do so, may order that excise duties and excise taxes in whole or in part shall be disregarded in estimating the value for duty of goods of any kind imported into Canada from any specified country and may vary or rescind such order."

BY THE COMMISSIONER: Q. So that you take the actual cost of production of similar goods? A. Yes.

Q. And you add to that an advance for selling cost and profit, and you call that the value; is that right? A. That is the value for duty.

MR. McRUER: There used to be a provision in section 36 that the minister should have the right to determine what is a reasonable advance.

THE COMMISSIONER: What are you referring to?

MR. McRUER: Section 36 of the Customs Act, but that provision has been taken out.

BY THE COMMISSIONER: That was dropped this last year? A. Yes.

date or enjoyment direct to Canada plus a reasonable advance for selling cost and profit, such advance not to be greater than that which in the ordinary course of business under normal conditions of trade, is added, in the case of goods similar to the particular goods under consideration, by manufacturers or producers of goods of the same class or kind in the country of export when sold for home consumption.

56A. The Governor in Council, whenever it is deemed expedient to do so, may order that excise duties and excise taxes in whole or in part shall be disregarded in estimating the value for duty of goods of any kind imported into Canada from any specified country and may vary or rescind such order."

BY THE COMMISSIONER: Q. So that you take the actual cost of production of similar goods?

A. Yes.

Q. And you add to that an advance for selling cost and profit, and you call that the value; is that right? A. That is the value for duty.

Mr. MOSLEY: There used to be a provision in section 45 that the minister should have the right to determine what is a reasonable advance.

THE COMMISSIONER: What are you referring to?

Mr. MOSLEY: Section 45 of the customs Act, but that provision has been taken out.

BY THE COMMISSIONER: That was dropped this last year? A. Yes.

MR. McRUER: Up until 1936 this provision was in the act:

"Provided that the value for duty of new or unused goods shall in no case be less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for selling cost and profit, and the minister shall be the sole judge of what shall constitute a reasonable advance in the circumstances, and his decision thereon shall be final."

THE COMMISSIONER: Those words "and the minister" are struck out now?

MR. McRUER: Yes, my lord.

BY MR. McRUER: Q. Have you operated under this section at different times -- A. Yes, sir.

Q. As it was before? A. Yes, as it was before.

Q. How did you proceed to ascertain the value of goods under that section as it was before? A. Our department investigates in the United States, Great Britain, or in Europe and the Continent, would visit the offices of exporters?

Q. Yes? A. And from an examination of his books of account determine the cost of production and the selling cost and ordinary profit in the course of trade in the home market. That information was then forwarded to the department and reviewed there, and in some cases where it was found necessary, where it was found that what should be the fair market value under section 36 was higher than what

MR. [illegible]: Is until the date particular was in the act:

"Provided that the value for duty of new or unused goods shall in no case less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for selling cost and profit, and the minister shall be the sole judge of what shall constitute a reasonable advance in the circumstances, and his decision thereon shall be final."

THE COMMISSIONER: Those words "and the minister" are [illegible]

MR. HOOPER: Yes, my lord.

BY MR. [illegible]: Q. Have you operated under this section at different times -- A. Yes, sir.

Q. As it was before? A. Yes, as it was [illegible].

Q. How did you proceed to ascertain the value of goods under that section as it was before?

A. Our department investigates in the United States, Great Britain, or in Europe and the Continent, and visit the offices of exporters.

Q. Yes? A. And from an examination of his books of account determine the cost of production and the selling cost and ordinary profit in the course of trade in the home market. That information was then forwarded to the department and reviewed there, and in some cases where it was found necessary, where it was found that that should be the fair market value under section 36 was higher than what

had been certified to as being the fair market value when sold for home consumption, the exporter and the collector were advised of the value for duty, and importations were subject to those appraisals.

Q. Do I understand it to be this, that if the invoice price to the Canadian importer was the same as the value when sold for home consumption, you could proceed under this section to determine whether it was sold for cost plus a reasonable amount for profit? A. That is right.

Q. And although you might not get him under the ordinary dumping section, that is for selling below the price for which he sold for home consumption, you might still get him under this section and have an appraisal made? A. I do not like the expression "get him".

BY THE COMMISSIONER: Q. It might be ascertained apparently that although the home market price, say in Italy, was so much, the price did not allow sufficient margin for cost and profit over the manufacturing cost? A. Yes.

Q. And therefore could not be taken?

MR. ELLOCK: There is no method of checking at all in the case of Japanese imports?

THE WITNESS: We have no investigator in Japan.

BY MR. McRUER: Section 6 of the customs tariff refers also to paragraphs (a) and (e) of section 41 of the Customs Act. Are these in the same position?

The COMMISSIONER: There are two subsections of section 41, and you were referring, Mr. McRuer,

had been entitled to as being the fair market value when sold for home consumption, the exporter and the collector were advised of the value for duty, and importations were subject to those appraisals.

Q. Do I understand it to be this, that if the imports below the Canadian Importer and the same as the value when sold for home consumption, you could proceed under this section to determine whether it was sold for cost plus a reasonable amount for profit? A. That is right.

Q. And although you might not get him under the selling dumping section, that is for selling below the price for which he sold for home consumption, you also still had the order with section and have an appraisal made? A. I do not like the expression "get him".

BY THE COMMISSIONER: Q. It might be ascertained apparently that although the home market price, say in Italy, was so much, the price did not allow sufficient margin for cost and profit over the manufacturing costs? A. Yes.

Q. And therefore could not be taken?

MR. MONDER: There is no method of checking at all in the case of Japanese imports?

THE WITNESS: We have no investigator in Japan.

BY MR. MONDER: Section 6 of the customs tariff refers also to paragraphs (a) and (e) of section 41 of the Customs Act. Are these in the same positions?

The COMMISSIONER: There are two subsections of section 41, and you were referring, Mr. Monder,

to the clauses of the first subsection?

MR. McRUER: I think, my lord, it will be better to keep to this memorandum because some changes were made in 1926 which appear in the copy you now have.

THE COMMISSIONER: The reference is to paragraphs (a) and (e) of subsection 1 of section 41.

MR. McRUER: Yes. Section 41 reads:

"Whenever goods are imported into Canada under such circumstances or conditions as render it difficult to determine the value thereof for duty because,-

(a) such goods are not sold for use or consumption in the country of production; or,

(e) such goods by reason of the fact that the circumstances of the trade render it necessary or desirable are sold under conditions or to a class of purchaser under or to which similar goods are not sold by the exporter for home consumption; or such goods are sold or imported in or under any other unusual or peculiar manner or conditions; the Minister may determine the value for duty of such goods, and the value so determined shall, until otherwise provided, be the value upon which the duty on such goods shall be computed and levied."

That is still in effect, Mr. Hooper? A. Yes, sir.

BY MR. McRUER: Q. Then the next is "or less than the fair market value thereof as fixed under the provisions of section 43 of the Customs Act."

to the clause of the first subsection?

MR. McPHERSON K.C.: I think, my Lord, it will be better to keep to this memorandum because some changes were made in 1926 which appear in the copy you now have.

THE COMMISSIONER: The reference is to paragraphs (a) and (e) of subsection 1 of section 41.

MR. McPHERSON K.C.: Yes. Section 41 reads:

"Notwithstanding section 40 of this Act, under such circumstances or conditions as renders it difficult to determine the value thereof for duty purposes,-

(a) such goods are not sold for use or consumption in the country of production; or,

(e) such goods by reason of the fact that the circumstances of the trade render it necessary or desirable are sold under conditions or to a class of purchaser under or to which similar goods are not sold by the exporter for home consumption; or such goods are sold or imported in or under any other unusual or peculiar manner or conditions; the Minister may determine the value for duty of such goods, and the value so determined shall, until otherwise provided, be the value upon which the duty on such goods shall be computed and levied."

That is still in effect, Mr. Hooper? A. Yes, sir.

BY MR. McPHERSON: Q. Then the next is "or less than the fair market value thereof as fixed under the provisions of section 40 of the Customs Act."

Now section 43 was the section under which the Governor in Council fixed the value for duty? A. Yes.

Q. And that is the section under which artificial silk was fixed at $1.25 a pound? A. Yes, sir.

THE COMMISSIONER: Wherever it came from?

BY MR. McRUER: Q. It did not make any difference where it came from? A. Except Great Britain.

THE COMMISSIONER: Oh yes, it did not apply to the British preferential tariff. That is the section we heard so much about in the earlier part of the inquiry?

MR. McRUER: Yes, my lord, that was the one that more or less gave rise to the action that was taken last January; when the American Treaty came into effect these fixed values went off, and these fixed values having gone off pursuant to the American Treaty, then it was contended that some action ought to be taken in respect to Japanese silks.

THE COMMISSIONER: You are going to go on and tell us what action was taken, I suppose. We have it some place, but still you are putting all the law in here it may be better to put that in here again, that is, what was done in connection with United States goods and also what was done in connection with Japanese goods, unless you can give us a reference to the date and page of the evidence where we can find it. There was a great deal said about it previously.

THE WITNESS: The departmental bulletins were filed. That would be around Exhibit 150.

Now section 43 was the section under which the Governor in Council fixed the value for duty?

A. Yes.

Q. And that is the section under which artificial silk was fixed at 7½% ad valorem? A. Yes, sir.

BY MR. McPHEMS: Q. It did not make any difference where it came from? A. Canadian goods only.

THE COMMISSIONER: Oh yes, it did not apply to the British preferential tariff. What is the section we heard so much about in the earlier part of the inquiry?

Mr. McPhems: Yes, my lord, that was the one that more or less gave rise to the action that was taken last January, when the American Treaty came into effect these fixed values went off, and these fixed values having gone off pursuant to the American Treaty, then it was contended that some action ought to be taken in respect to Japanese silks.

THE COMMISSIONER: You are going to go on and tell us what action was taken, I suppose. We have it same place, but still you are putting all the law in here it may be better to put that in.

MR. CLARK: Here is what was done in connection with United States goods and also what was done in connection with Japanese goods, unless you can give us a reference to the date and page of the evidence where we can find it. There was a great deal said about it already.

THE COMMISSIONER: The correspondence relating was filed. That would be around Exhibit 150.

THE COMMISSIONER: Perhaps a reference would be sufficient because the bulletins that were issued at that time set it out fully. I think they were presented to us in Montreal. Exhibits 124 and 125 seem to deal with it.

MR. McRUER: Yes, my lord, I will just take a note to refer to exhibits.

THE WITNESS: That is the one, my lord.

MR. McRUER: They were the summaries of the tariff on artificial silk and the changes.

THE COMMISSIONER: I know they are but they are pertinent. Exhibit 105 deals with the practical effect of order in council 3013 of December 12, 1931.

THE WITNESS: That is the exhibit you want.

MR. McRUER: Exhibit 105 shows in dollars and cents the application of the fixed valuation.

THE WITNESS: You also want the Exhibit in which the bulletin was filed.

THE COMMISSIONER: What bulletin?

MR. McRUER: The changes in the Japanese agreement.

Exh

THE COMMISSIONER: Exhibit 124 is a summary of the provisions with respect to yarns and fabrics of artificial silk. Is there any exhibit that brings us down to the new order of things because this order in council was repealed, was it not?

THE WITNESS: No, only so far as it affects the intermediate tariff.

THE COMMISSIONER: That is the Japanese.

THE WITNESS: Yes, my lord, but the order in

THE COMMISSIONER: Perhaps a reference would be sufficient because the bulletins that were issued at that time set it out fully. I think they were presented to us in Montreal. Exhibits 124 and 125 seem to deal with it.

MR. MORDEN: Yes, my lord, I will just take a note to refer to exhibits.

THE WITNESS: That is the one, my lord.

MR. MORDEN: They were the connection of the tariff on artificial silk and the changes.

THE COMMISSIONER: I know they are but they are pertinent. Exhibit 105 deals with the practical effect of order in council 8012 of December 18, 1931.

THE WITNESS: That is the exhibit you want.

MR. MORDEN: Exhibit 105 shows in dollars and cents the application of the fixed valuation.

THE ALT BBB: You also want the Exhibit in which the bulletin was filed.

MR. MORDEN: The changes in the Japanese agreement.

THE COMMISSION M: Exhibit 124 is a summary of the provisions with respect to yarns and fabrics of artificial silk. Is there any exhibit that brings us down to the new order of things because there was an order in council was repealed, was it not?

THE WITNESS: No, only so far as it affects the intermediate tariff.

THE COMMISSIONER: That is the Japanese.

THE WITNESS: Yes, my lord, but the order in

council is still in effect so far as the general tariff is concerned.

(Page 11760 follows)

MR. McRUER: We will file it, my lord, if it has not been filed. My recollection is it was filed just about this time.

THE COMMISSIONER: That is my recollection too.

MR.McRUER: Exhibit 137, following 137, along there.

MR. BERRY: Exhibit 649 is the one.

MR.McRUER: 649, Mr. Berry says that is the one.

MR.BERRY: The Canadian letter to Cordell Hull expressing the intention to abolish these valuations.

MR.McRUER: But there was a bulletin that went out before that. That was filed earlier.

THE COMMISSIONER: There is something earlier too, I am sure.

MR.McRUER: Yes, I think there was a bulletin from the Customs Department to the Appraisers.

THE COMMISSIONER: Sort of a letter, I think, from one Government to the other about what would be done.

MR.McRUER: That is 649, isn't it ?

MR.BERRY: 401.

THE COMMISSIONER: Yes, a letter from the Prime Minister and Secretary of State for External Affairs, December 26th, 1935; that is 401.

THE WITNESS: That isn't the one we want now, my lord.

Q. Isn't it ? A. No.

Q. Has not that to do with the Japanese situation ? A. That only states what will be done.

Q. Well, I know -- A. You want to file the bulletin, or the bulletins, covering artificial silk appraisal.

MR. MORDEN: We will file it, my lord, if it has not been filed. My recollection is it was filed just some days ago.

THE COMMISSIONER: That is my recollection too.

MR.MORDEN: Exhibit 157, following 157, along there.

MR. BERRY: Exhibit 649 is the one.

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MR.BERRY: The Canadian letter to Cordell Hull expressing the intention to abolish these valuations.

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MR.MORDEN: That is 649, isn't it?

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THE COMMISSIONER: Yes, a letter from the Prime Minister and Secretary of State for External Affairs, December 26th, 1955; that is 401.

THE WITNESS: That isn't the one we want now, my Lord.

Q. Isn't it? A. No.

Q. Has not that to do with the Japanese situation?

A. That only states that will be done.

Q. Well, I know -- A. You want the bulletin, or the bulletin, covering authorized silk -- to file

I don't think it has been done.

Q. It hasnot been done ? A. I don't think so.

Q. Well, we had better have that.

BY MR.McRUER: Q. You will get us those bulletins, will you, Mr. Hooper? A. Yes.

Q. Then, to go back to Section 6 again; of course, if a valuation is made under Section 43 then that becomes the value for duty ? A. And special duty.

Q. And for special duty; and if the value then sold for home consumption is less than that -- of course, it always is or it is not put on -- the dumping duty is levied on the difference between the value when sold for home consumption and this special duty that is put on? A. I would say the invoice value and the value under 43. The invoice value may be less than the fair market value, you see.

Q. At any rate, you take the invoice value and the fixed value ?- A. Yes.

Q. Subtract the invoice value from the fixed value and levy the duty on the difference which shall not be more than 50 percent of the difference ? A.Yes.

BY THE COMMISSIONER: Q. That is the dumping duty? A. That is the dumping duty he is referring to.

BY MR.McRUER: Q. Now then, is there any other section we should consider in this regard ? A. No, that is all. You mean under section 6 ?

Q. Yes? A. There is a change there in the second paragraph.

Q. Excise duties ? A. Just let me see; yes, that is a change.

I don't think it has been done.

Q. It hasn't been done? A. I don't think so.

. Well, we had bet or have that.

BY MR. MONDER: Q. You will get us those bills-

time, will you, Mr. Hooper? A. Yes.

Q. Then, to go back to Section 6 again; of course,

if a valuation is made under Section 45 then that be-

comes the value for duty? A. And special duty.

Q. And for special duty; and if the value

has sold for home consumption is less than that --

of course, it always is or it is not put on -- the

dumping duty is levied on the difference between the

value that was for home consumption and the special

duty that is put on? A. I would say the invoice

value and the value under 45. The invoice value may

be less than the fair market value, you see.

Q. At any rate, you take the invoice value and

the fixed value?- A. Yes.

Q. Subtract the invoice value from the fixed

value and levy the duty on the difference which shall

not be more than 50 percent of the difference? A. Yes.

BY THE COMMISSIONER: Q. That is the dumping duty?

A. That is the dumping duty he is referring to.

BY MR. MONDER: Q. Now then, is there any other

section we should consider in this regard? A. No,

that is all. You mean under section 6?

Q. Yes? A. There is a change there in the second

paragraph.

Q. Excise duties? A. Just let me see; yes,

that is a change.

BY THE COMMISSIONER: Q. Sub-Section 2 ? A. Sub-Section 2, or not sub-Section 2, the second paragraph rather of sub-Section 1.

Q. Yes ? A. "Provided that".

Q. "Provided that"? A. Yes, "Provided that when it is establsihed that any article ".

Q. When they have no home market and they are not sold there then certain things are done ? A. It is of a class or kind made or produced in Canada not offered for sale through the ordinary agencies of retail or wholesale distribution, or not offered to all purchasers on equal terms under like conditions having regard to the custom and usage of trade, such articles may be exempted from special or dumping duties.

BY MR.McRUER: Q. That was just added in 1936 ? A. Yes, sir.

Q. Now, if we took the case, for instance, of a piece of silk that is made up specially for the purpose of showing to the department, and the department discovered that to be the case they could act under that section and refuse to apply the dumping duty although it might be contended it was of a class or kind manufactured in Canada; that is correct, is it not ? A. I would not like to say because I have not studied this section.

THE COMMISSIONER: What is that you say,Mr.McRuer?

BY MR.McRUER: Q. I was suggesting if there was a piece of silk manufactured for the purpose of showing to the Customs authorities to contend it was of a class or kind manufactured in Canada that the Department

BY THE COMMISSIONER: Q. Sub-section 2 ? A. Sub-section 2, or not sub-section 2, the second paragraph

BY MR. MACDONALD: Q. Yes ? A. "provided that".

Q. "Provided that"? A. Yes, "Provided that when it is established that any article ".

Q. When they have no home market and they are not sold there then certain things are done ? A. It is of a class or kind made or produced in Canada not offered for sale through the ordinary agencies of retail or wholesale distribution, or not offered to all purchasers on equal terms under like conditions having regard to the custom and usage of trade, such articles may be exempted from special or dumping duties.

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Q. Now, if we took the case, for instance, of a piece of silk that is made up specially for the purpose of showing to the department, and the department discovered that to be the case they could act under that section and refuse to apply the dumping duty although it might be contended it was of a class or kind manufactured in Canada; that is correct, is it not ? A. I would not like to say because I have not studied this section.

THE COMMISSIONER: What is that you say, Mr. Hooper

BY MR. MACDONALD: Q. I was suggesting if there was a piece of silk manufactured for the purpose of showing to the Customs authorities to contend it was of a class

could refuse to apply the dumping duty if they discovered it was not manufactured or sold commercially ? A. No, I don't think that is it.

THE COMMISSIONER: I think it is the other way around. I think it has to do with the foreign article. I think this means that although this foreign article is of a class or kind made or produced in Canada which consequently would compete with the Canadian article under ordinary circumstances, if not offered for sale here to ordinary agencies of wholesale or retail distribution then in that case there is no dumping duty; that is right, isn't it ? It is exempt from dumping duty; that is what it says. "Provided that when it is established that any articles though of a class or kind made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution or are not offered to all purchasers on equal terms under like conditions, having regard to the customs and usage of trade, such articles may be exempted from special or dumping duty." It says "may be". There is an article you want to bring in. This article is not on the market, that is, it is competing with no Canadian article. If you can establish that that is the case, then it may be exempted from duty. Is that what it means ? That is what it is ? A. I think it is referring to distribution of Canadian products and their selling prices.

MR.McRUER: I think from the discussion in Parliament at the time it was passed they thought they were referring to Canadian products.

ould refuse to apply the dumping duty if they discover it was not manufactured or sold commercially ? A. No, I don't think that is it.

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Mr.Mowlin: I think from the discussion in Parliament at the time it was passed they thought they were referring to Canadian products.

MR. KELLOCK: That is not admissible, is it ?

MR.Mc RULR: I was thinking of putting in one of the speeches of Sir John A. MacDonald.

THE WITNESS: That might apply to Celanese in the yarns.

THE COMMISSIONER: I think they had better re-word it. It says, "Provided that when it is established that any articles" -- that is the governing term -- "that any articles though of a class or kind made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution" it therefore follows they may be exempted. It cannot mean anything else.

THE WITNESS: Take the case of Celanese yarns. We might be able to work through that.

Q. I don't care about that ? A. I mean for an example. The yarn is produced, is made in Canada and it is not offered for sale through the ordinary agencies of wholesale or retail distribution, or the ordinary channels.

Q. That is not what they said ? A. I read it that way.

Q. That is because it has been interpreted to you that way ? You may be reading it that way because you know it is used that way ? A. No, I haven't seen it before.

MR.McRUER: All I recollect is the discussion that was in the newspapers at the time it was before Parliament last Spring. I think I will have Hansard look it up just for fun to see what they thought they were passing,anyway.

MR. HELLOCK: That is not admissible, is it ?

MR.MC RUER: I was thinking of putting in one of the speeches of Sir John A. Macdonald.

THE WITNESS: That might apply to Calmness in the press.

THE COMMISSIONER: I think they had better re-word it. It says, "Provided that when it is established that any articles" -- that is the governing term -- "that any articles though of a class or kind made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution" it therefore follows they may be exempted. It cannot [illegible] view.

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MR.MONDAK: All I recollect is the discussion that was in the newspapers at the time it was before Parliament last Spring. I think I will have Hansard look it up just for fun to see what they thought they

THE WITNESS: No, I think it has to do with goods made in Canada because it cannot very well be foreign goods. We are really not interested in how they are marketed. If they have some peculiar way over there that would not exempt them from dumping duty in Canada. It must be on account of some one has restricted a line in Canada.

THE COMMISSIONER: What is meant then is that when it is established that any article though it may be of a class or kind made in Canada, is not offered for sale? A. That is it, through the usual channels.

Q. That is not what it says.

MR. McRUER: That is what I think they thought they were doing.

THE COMMISSIONER: That is not what it is.

MR.McRUER: However, there it is. There is one other point though that I want to draw your lordship's attention to and that is Sub-Section 2 of Section 6 which deals with excise taxes.

"Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the British Preferential, Tariff Intermediate Tariff, or any tariff more favourable than the General Tariff."

That refers to excise duties leviable abroad ? A. In the country of export.

BY THE COMMISSIONER: Q. In the country of export ? A. Yes, my lord.

Q. Why would it exclude excise duties levied in

THE WITNESS: No, I think it has to do with goods made in Canada because it cannot very well be foreign goods. We are really not interested in how they are marketed. If they have some peculiar way over there that would not exempt them from dumping duty in Canada. It must be on account of some one has restricted a line in Canada.

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"Excise duties or excise taxes should be disregarded in estimating the market value of goods for the purpose of general duty when the goods are entitled to entry under the British Preferential Tariff Intermediate Tariff, or any tariff more favourable than the General Tariff."

That refers to excise duties levisble abroad ? A. In the country of export.

BY THE COMMISSIONER: Q. In the country of export ?

A. Yes, by land.

Q. Why would it exclude excise duties levied in

this country ? A. This provides for their exclusion in estimating the value for special duty.

Q. Why do you say it means only excise duties in the foreign country ? Suppose there is excise duty or excise tax here, as we have seen in previous exhibits, on an article; what becomes of that excise tax? Is that included as value ? A. What they are referring to there is the fair market value, the value shown on the customs invoice as presented to the Customs.

BY MR. CRUER: Q. Just let us get an illustration. Take in England, for instance, where there is an excise duty on rayon fabrics; that is correct, is it not ? A. There is an excise duty on rayon yarn.

Q. Six pense? A. Six pence per pound.

Q. Now, if you are determining the value for duty purposes or for special duty ? A. First of all for duty the excise tax must be included in the value certified to as the fair market value. In other words, the home market value must not be reduced by the amount of any excise tax.

Q. Take a pound of rayon yarn. We will say it sells at 75 cents ? A. Say it sells at 4 shillings.

Q. Four shillings in England, and an importer buys it there for four shillings ? A. No, the importer would buy it for 3s 6d.

Q. All right, it sells in England for 4 shillings, but included in that price is 6 pence excise tax ? A. Yes.

this country? A. This provides for their exclusion in setting the value for special duty.

Q. Why do you say it means only excise duties in the foreign country? Suppose there is excise duty or excise tax here, as we have seen in previous exhibits, on an article; what becomes of that excise tax? Is that included as value? A. What they are referring to there is the fair market value, the value shown on the customs invoice as presented to the Customs.

BY MR. CROMB: Q. Just let us get an illustration. Take in England, for instance, where there is an excise duty on rayon fabrics; that is correct, is it not? A. There is an excise duty on rayon yarn.

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Q. Now, if you are determining the value for duty purposes or for special duty? A. Some or all of duty the excise tax must be included in the value certified to as the fair market value. In other words, the home market value must not be reduced by the amount of any excise tax.

Q. Take a pound of rayon yarn. So will say it sells at 75 cents? A. Say it sells at 4 shillings.

Q. Four shillings in England, and an importer buys it there for four shillings? A. No, the importer would buy it for 3s 6d.

Q. All right, it sells in England for 4 shillings, but included in that price is 6 pence excise tax?

A. Yes.

Q. The Canadian importer does not pay the domestic excise tax ? A. No.

Q. So when it is sold abroad it is not subject to that excise tax. All right, he pays 3s 6d but when he imports it into Canada he pays duty on what ? A. On the 4 shillings.

Q. On the four shillings; it is valued at the higher rate ? A. Yes.

Q. For duty purposes on importation into Canada? A. That is right.

Q. Now -- A. If his invoice value, or the selling price in England to the purchaser in Canada is 3s 6d there would be no dumping duty collected on account of the difference between the fair market value and the selling price provided that difference was due to the excise duty.

Q. So he buys that 3s 6d and the fair market value and as sold for home consumption is 4 shillings, but the difference is due to excise tax in England ? A. Yes.

Q. Therefore you disregard that difference in estimating whether you levy dumping duty or not ? A. That is correct.

Q. But nevertheless he pays the import duty based on his price plus the excise duty ? A. That is right.

Q. Is that clear, my lord?

THE COMMISSIONER: Yes, I understand now.

MR.McRUER: All right then. A. There is just one other Section, Sub-Section 10 of the Customs Tariff.

BY THE COMMISSIONER: Q. Of what ? A. Sub-Section

Q. The Canadian importer does not pay the Canadian excise tax ? A. No.

Q. So when it is sold abroad it is not subject to that excise tax. All right, he pays 2s 6d but when he imports it into Canada he pays duty on what ? A. On the 4 shillings.

Q. On the four shillings; it is valued at the higher rate ? A. Yes.

Q. [illegible]

A. That is right.

Q. Now -- A. If his invoice value, or the selling price in England to the purchaser in Canada is 2s 6d there would be no dumping duty collected on the amount of the difference between the fair market value and the selling price provided that difference was due to the excise duty.

Q. So he buys that 2s 6d and the fair market value and as sold for home consumption is 4 shillings, but the difference is due to excise tax in England ? A. Yes.

Q. Therefore you discounts that difference in estimating whether you levy dumping duty or not ?

A. That is correct.

Q. But nevertheless he pays the import duty based on his price plus the excise duty ? A. That is right.

Q. Is that clear, my lord.

THE COMMISSIONER: Yes, I understand now.

Q. MR. [illegible]: All right then. A. There is just another question, Sub-section 10 of the Customs Tariff [illegible]

10.

Q. Of this last document ? A. Yes, my lord.

BY MR. McRUER: Q. This is new again, was it not, at the last session of Parliament ? A. Yes.

Q. "For the purposes of this Act articles shall not be deemed to be of a class or kind made or produced in Canada unless so made or produced in substantial quantities".

THE COMMISSIONER: Now, if they had used language similar to that in that first proviso they would have obtained their object better, I think.

MR.McRUER: Yes.

"and the Governor in Council may by Order in Council provide that such quantities, to be substantial, shall be sufficient to supply a certain percentage of the normal Canadian consumption and may in such Order fix such percentage."

Now, did you tell me this morning that habutae silk is silk ruled to be of a class or kind made in Canada? A. I believe I did, yes.

THE COMMISSIONER: Well, is it ? Are you sure of that ? A. I believe I told him that. I know it is.

BY MR.McRUER: Q. You know it is ? A. Yes.

Q. I am asking you now is it still under the ruling that it is of a class or kind made in Canada ? A. Yes.

Q. My lord, Mr. Hooper directs my attention to the Order in Council that is contained on the first page of the Customs Tariff Act, that is the large volume that we have here.

Q. Of this last document ? A. Yes, my lord.

BY MR. McDUGALL: Q. This is new again, was it not at the last session of Parliament ? A. Yes.

Q. "For the purposes of this act articles shall not be deemed to be of a class or kind made or produced in Canada unless so made or produced in substantial quantities".

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THE COMMISSIONER: Well, is it? Are you sure of that ? A. I believe I told him that. I know it is.

BY MR.McDUGALL: Q. You know it is ? A. Yes.

Q. I am asking you now is it still under the ruling that it is of a class or kind made in Canada ?

A. Yes.

Q. My lord, Mr. Hooper directs my attention to the Order in Council that is contained on the first page of the Customs Tariff act, that is the issue volume that we have here.

THE COMMISSIONER: The first page of the volume or the first page of the Act?

MR. McRUER: The first page of the volume, my lord, or just after the index. It is just on the over leaf after the index.

THE COMMISSIONER: Well, the second page of the index, then?

MR. McRUER: Yes.

THE WITNESS: That is it, my lord, you have it now.

MR. McRUER: Before the index really.

THE COMMISSIONER: Oh, the note.

MR. McRUER: Yes, and the last two paragraphs: "With respect to the administration of Section 6 of The Customs Tariff, which concerns the application of special dumping duty on --"

THE COMMISSIONER: Special or dumping duty.

MR. McRUER: --"special or dumping duty to goods of a class or kind made in Canada, attention is drawn to an Order in Council dated the 2nd of July, 1936, which reads as follows: 'The Deputy of His Excellency the Governor General in Council, on the recommendation of the Minister of National Revenue and under the authority granted by Subsection ten of Section six of The Customs Tariff assented to the 23rd day of June, 1936, is pleased to order and it is hereby ordered that articles shall not be deemed to be of a class or kind made or produced in Canada unless a quantity sufficient to supply ten per centum of the normal Canadian consumption of such article is so made or produced'."

THE COMMISSIONER: The first page of the volume or the first page of the Act?

MR. MORDEN: The first page of the volume, my lord, or just after the index. It is just on the over leaf after the index.

THE COMMISSIONER: Well, the second page of the index, then?

MR. MORDEN: Yes.

THE COMMISSIONER: That is it, my lord, you have it now.

THE COMMISSIONER: Oh, the note.

MR. MORDEN: Yes, and the last two paragraphs: "With respect to the administration of section 6 of the Customs Tariff, and in connection with the imposition of special dumping duty on --"

THE COMMISSIONER: Special or dumping duty.

MR. MORDEN: --"special or dumping duty to goods of a class or kind made in Canada, attention is drawn to an Order in Council dated the 2nd of July, 1926, which reads as follows:--'The Deputy of His Excellency the Governor General in Council, on the recommendation of the Minister of National Revenue and under the authority granted by subsection ten of section six of The Customs Tariff amended to the 23rd day of June, 1926, is pleased to order and it is hereby ordered that articles shall not be deemed to be of a class or kind made or produced in Canada unless a sufficient quantity thereof to supply ten per centum of the normal Canadian consumption of such articles is so made or produced.'"

THE COMMISSIONER: Well, that must be based under sub-Section 10 of Section 6.

MR.McRUER: Yes, my lord.

BY THE COMMISSIONER: Q. Well, it does say -- A. It sets out --

Q. It sets the proportion at 10 per cent ? A. Yes, my lord. Of course, even with that it does not provide that you can rule on habutae separately from other silk fabrics.

BY MR.McRUER: Q. Well, -- A. That has to be determined by the Minister what his policy will be in that regard.

Q. It is still open for the Minister to select an item from the Customs Tariff Act such as habutae, a silk item, and rule that particular item is not of a class or kind made in Canada ?

THE COMMISSIONER: Is not, you say ?

BY MR.McRUER: Q. Is of a class or kind made in Canada or is not of a class or kind made in Canada ? A. You would have to define class and kind.

Q. That is the difficulty ? A. Yes.

Q. Defining what is class and kind ?

BY THE COMMISSIONER: Q. Who defines the words "class" or"kind" ? When the Order in Council says as it does here in general terms "It is ordered that articles shall not be deemed to be of a class or kind made or produced in Canada unless in quantity sufficient to supply 10 per cent of the normal Canadian consumption of such articles as so made or produced". Who else has the power to say "Yes, it shall be ."

THE COMMISSIONER: Well, that must be based upon sub-section 10 of section 6.

MR.McGUIRE: Yes, my lord.

BY THE COMMISSIONER: Q. Well, it does say --

A. It sets out --

Q. It sets the proportion at 10 per cent ?

A. Yes, my lord. Of course, even with that it does not provide that you can rule on rebates separately from other silk fabrics.

BY MR.McGUIRE: Q. Well, -- Q. That has to be determined by the Minister what his policy will be that regard.

Q. It is still open for the Minister to select an item from the Customs Tariff Act such as rebates, a silk item, and rule that particular item is not of class or kind made in Canada ?

THE COMMISSIONER: Is not, you say ?

BY MR.McGUIRE: Q. Is of a class or kind made in Canada or is not of a class or kind made in Canada

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Q. Defining what is class and kind ?

BY THE COMMISSIONER: Q. Who defines the words "class" or "kind" ? When the order in Council says as it does here in general terms "It is ordered that articles shall not be deemed to be of a class or kind made or produced in Canada unless in quantity sufficient to supply 10 per cent of the normal Canadian consumption of such articles as so made or produced" Who also has the power to say Yes, it shall be .

A. Does that mean 10 per cent of the silk fabrics or 10 per cent of habutae ?

MR. McRUER: What Mr. Hooper is pointing out is this; what is class or kind? Does it mean you can take one particular type of silk fabric such as habutae which as a particular name for that particular type, and say habutae is not made in Canada, or must you say -- A. Fabrics of silk.

Q. Fabrics of silk, if they are made in Canada, silk generally.

THE COMMISSIONER: Well, the reference is to articles, and by the correspondence you read earlier in the day the Department is referring to the one article, is it not? That is to say, what you call habutae. They were trying to find out whether it was made in Canada or not. They say no more generally than that. They just refer to that one thing ? A. Yes, but they have an enquiry, my lord. They may have been trying to ascertain the source of supply for that particular fabric.

Q. No, didn't they make a refund to somebody ? A. That was on cotton crepe, my lord.

MR. McRUER: All right, take cotton crepe.

BY THE COMMISSIONER: Q. Take cotton crepe; there is one specific article, cotton crepe. They find it is not of a class or kind made in Canada and they refund the duty collected ? A. That is quite right.

BY MR.McRUER: Q. Well, are there any other matters, Mr. Hooper, covering the general methods of appraisals for Customs duties ? That is the application

Q. Does that mean it was part of the silk fabrics over 10 per cent of habutae?

MR. MONAHAN: What Mr. Hooper is pointing out is this; what is class or kind? Does it mean you can take one particular type of silk fabric such as habutae which as a particular name for that particular type, and any habutae is not made in Canada, or must you --

A. Fabrics of silk.

Q. Fabrics of silk, if they are made in Canada, silk generally.

THE COMMISSIONER: Well, the reference is to articles, and by the correspondence you read earlier in the day the Department is referring to the one article, is it not? That is to say, what you call habutae. They were trying to find out whether it was made in Canada or not. They say no more generally than that. They just refer to that one thing? A. Yes, but they have an enquiry, my lord. They may have been trying to ascertain the source of supply for that particular fabric.

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MR. MONAHAN: All right, take cotton crepe.

BY THE COMMISSIONER: Q. Take cotton crepe; there is one specific article, cotton crepe. They find it is not of a class or kind made in Canada and they refund the duty collected? A. That is quite right.

BY MR. MONAHAN: Q. Well, are there any other matters, Mr. Hooper, covering the general methods of appraisals for Customs duties? That is the application

of these tariffs that we have dealt with so far, and before I go any further -- A. Of course, we have the currency rates that have been proclaimed.

BY THE COMMISSIONER: Q . That is under this sub-Section 9 here. A. Sub-Section 9, my lord.

BY MR. McRUER: Q. 9 of (6). A. That has already been filed.

BY THE COMMISSIONER: Q. Have any other currency rates been dealt with other than the Japanese currency rates ? A. There were other rates on the memorandum filed.

BY MR. McRUER: Q. For instance,the action that was taken on the British pound when it was depreciated? A. Yes.

Q. And thereis a memorandum ? A. Of course, that is a little bit different.

Q. What is different ? We want to know about that then? A. The pound, the value of the pound was never lowered for regular duty purposes. The duty was computed at all times on the par rate of exchange.

Q. Just let us get that .

THE COMMISSIONER: Just a minute. All right, go on.

MR.Mc RUER: Go ahead and tell us; go back to 1932.

BY THE COMMISSIONER: Q. You said the par rate of exchange ? A. Yes.

Q. That is, the par rate of exchange, $4.86-2/3 on the pound fell to about $4.00 and they still collected the duty on the par rate ? A. Yes, on the par rate and the value for special duty was first of all

these tariffs that we have dealt with so far, and before I go any further -- A. Of course, we have no currency rates that have been proclaimed.

BY THE COMMISSIONER: Q. That is under this sub-section 9 here. A. Sub-section 9, my lord.

BY MR. MORGAN: Q. 9 of (8). A. That has already been filed.

BY THE COMMISSIONER: Q. Have any other currency rates been dealt with other than the Japanese currency rates? A. There were other rates on the memorandum filed.

BY MR. MORGAN: Q. For instance, the action that was taken on the British pound when it was depreciated? A. Yes.

Q. [illegible] A. Of course, that is a little bit different.

Q. What is different? We want to know about that then? A. The pound, the value of the pound was never lowered for regular duty purposes. The duty was computed at all times on the per rate of exchange.

Q. Just let us get that.

THE COMMISSIONER: Just a minute. All right, go on.

MR. MORGAN: Go ahead and tell us; go back to 1932.

BY THE COMMISSIONER: Q. You said the per rate of exchange? A. Yes.

Q. That is, the per rate of exchange, $4.86-2/3 the pound fell to about $4.00 and they still collected the duty on the per rate? A. Yes, on the per rate and the value for special duty was first of all

set at $4.40, and special duty was collected according to the difference between the pound at $4.40 and the invoice value at the current rate of exchange. In the case you have mentioned, $4.00, it would be 40 cents on the pound collected as dumping duty. That was later reduced to $4.25.

BY MR.McRUER: Q. I want to get the full effect of that because in this inquiry we have had certain complaints of what we have suffered from countries that had a depreciated rate of exchange, and then we don't hear much about the benefits of countries that have an appreciated rate of exchange such as the Gold Block countries? A. We can take Great Britain now. The value for duty is still at the par rate of exchange although the currency has appreciated.

BY THE COMMISSIONER: Q. Just a minute; the British currency -- A. Has appreciated, my lord.

Q. Oh yes, it has gone up, not very far up now though, is it ? It was about $5.05 a couple of months ago ? A. Yes, and it has gone as far as about $5.20, I believe, and even at that time we permitted the importer to buy at the par rate of exchange. There was no dumping duty collected between --

Q. You took it as if he had bought it -- A. That is for duty, and even for special duty the Department permit him to remit at the par rate of exchange so he got a break that way.

BY MR.McRUER: Q. He which? A. He got a break that way.

Q. But when the pound was depreciated the valuation

set at $4.40, and special duty was collected according to the difference between the pound at $4.40 and the invoice value at the current rate of exchange. In the case you have mentioned, $4.00, it would be 40 cents on the pound collected as dumping duty. That was later reduced to $4.25.

BY MR.MORUR: Q. I want to get the full effect of that because in this inquiry we have had certain complaints of what we have suffered from countries that had a depreciated rate of exchange, and then we don't hear much about the benefits of countries that have an appreciated rate of exchange such as the Gold Block countries? A. We can take Great Britain now. The value for duty is still at the par rate of exchange although the currency has appreciated.

BY THE COMMISSIONER: Q. Just a minute; the British currency -- A. Has appreciated, my lord.

Q. Oh yes, it has gone up, not very far up now though, is it ? It was about $5.05 a couple of months ago ? A. Yes, and it has gone as far as about $5.20, I believe, and even at that time we permitted the importer to buy at the par rate of exchange. There was no dumping duty collected between --

Q. You took it as if he had bought it -- A. That is for duty, and even for special duty the Department permit him to remit at the par rate of exchange so he not a great loser.

BY MR.MORUR: Q. He wishes? A. He got a break that way.

Q. But when the pound was depreciated the value for

was on the par rate of exchange then, and with a special valuation put on for the purpose of dumping duty ? A. Yes.

Q. You say that was $4.40? A. Yes.

Q. And went as low as $4.25 ? A. Yes, was reduced in March, 1933, to $4.25, but immediately after that the pound started to go up in value. Of course, they did not know it was going to go up when they put on the $4.25. I should say that remitting at the par rate of exchange to-day, the Department permits him to remit at that amount provided the exporter does.

Q. Provided what ? A. Provided he might do so as far as his relationship goes with the exporter.

Q. I don't understand what you mean ? A. Supposing he has an invoice for 100 pounds.

Q. Yes? A. And the exporter is willing to sell these goods at $4.86 2/3.

Q. Yes. A. Then, he might do so without incurring special duty.

BY THE COMMISSIONER: Q. In that case he is only really paying 100 times $4.86 ? A. No.

Q. You say if the exporter is prepared to take that ? A. Yes. Of course, supposing the current rate of exchange is $5.25. It would cost him $525 to remit £100, but for $486.66 he cannot remit the full £100, but --

Q. But what ? A. So if he remits that amount --

Q. What amount ? A. $486. worth of sterling, the department would not collect special

was on the par rate of exchange then, and with a special valuation put on for the purpose of dumping duty? A. Yes.

Q. You say that was $4.40? A. Yes.

Q. And went as low as $4.25? A. Yes, was reduced in March, 1922, to $4.25, but immediately after that the pound started to go up in value. Of course they did not know it was going to go up when they put on the $4.25. I should say that remitting at the par rate of exchange to-day, the Department permits him to remit at that amount provided the exporter does

Q. Provided what? A. Provided he might do so as far as his relationship goes with the exporter.

Q. I don't understand what you mean? A. Suppose he has an invoice for 100 pounds.

Q. Yes? A. And the exporter is willing to sell these goods at $4.86 2/3.

Q. Yes. A. Then, he might do so without incurring special duty.

BY THE COMMISSIONER: Q. In that case he is only really paying 100 times $4.86? A. No.

Q. You say if the exporter is prepared to take that? A. Yes. Of course, supposing the current rate of exchange is $5.25. It would cost him $525 to remit also, but for $486.66 he cannot remit the full 100, but --

Q. But what? A. So if he remits that amount --

Q. What amount? A. $486. worth of sterling, the Government would not collect special

duty.

Q. You mean if the man in England is willing to take that ? A. Yes.

Q. That changes the price from $525. to $486 ? A. Yes.

BY MR.McRUER: Q. But theselling price at home would be calculated on the current rate of exchange, wouldn't it ? A. Yes.

Q. So that the selling price at home would be $5.00 and he is only paying $4.86.

THE COMMISSIONER: The selling price at home is what the man at home gets. He is only getting $486. He is not getting £100.

MR.McRUER: The price for home consumption that Mr. Hooper has put would be $5.00 but he sold it here and is willing to take the remittance at par which would make it $486.? A. Yes.

Page 11778 follows.

duty.

Q. You mean if the man in England is willing to make that ? A. Yes.

Q. That changes the price from $585. to $485 ?

A. Yes.

BY M. HOOPER: Q. But theselling price at home would be calculated on the current rate of exchange, wouldn't it ? A. Yes.

Q. So that the selling price at home would be $5.00 and he is only paying $4.85.

THE COMMISSIONER: The selling price at home is what the man at home gets. He is only getting $485. He is not getting $100.

Q. The price for home consumption that Mr. Hooper has put would be $5.00 but he sold it here and is willing to take the remittance at par which would make it $485. A. Yes.

Here 11772 follows.

Q. But you do not collect dumping duty ? A. No, nor do we collect regular duty on the appreciated value.

Q. And you do not collect duty on the appreciated value? A. No.

THE COMMISSIONER: Q. Does that arrangement only apply to Great Britain ? A. Yes, sir.

MR. McRUER: Q. Well now, anything more before we leave the difficult task of explaining all the different ways that you arrive at duty valuations?

A. Mr. Whiteley says there is something in here about these fixed valuations being referred to Tariff Board but that is an exchange of notes.

MR. McRUER: That is rulings of the Department?

MR. WHITELEY: No, it is a special Act.

MR. BERRY: Section 43, sub-section 3.

THE WITNESS: Oh yes, it is in 43, sub-section 3.

MR. McRUER: Oh yes, sub-section 3 of section 43 provides "In the case of any value for duty established under the provisions of this Section after the first day of January, 1936, any interested person may apply to the Tariff Board by way of appeal therefrom. The Tariff Board shall thereupon conduct a public enquiry and make its finding as to whether, to what extent, and for what period such value is required to prevent the importation of goods into Canada from prejudicially or injuriously affecting the interests of Canadian producers or manufacturers.

Q. But you do not collect dumping duty? A. No, nor do we collect regular duty on the appreciated value.

Q. And you do not collect duty on the appreciated value? A. No.

THE COMMISSIONER: Q. Does that arrangement only apply to cross-claims? A. Yes, sir.

MR. MORGAN: Q. Well now, anything more before we leave the difficult task of explaining all the different ways that you arrive at duty valuations?

[illegible]

but that is an exchange of notes.

MR. MORGAN: That is training of the Department?

[illegible]

THE WITNESS: Oh yes, it is in 45, sub-section 3.

MR. MORGAN: Oh yes, sub-section 3 of section 45 provides "In the case of any value for duty established under the provisions of this section after the first day of January, 1938, any interested person may apply to the Tariff Board by way of appeal therefrom. The Tariff Board shall thereupon conduct a public enquiry and make its finding as to whether, to what extent, and for what period such value is required to prevent the importation of goods into Canada from prejudicially or injuriously affecting the interests of Canadian producers or manufacturers.

If no fixed value is found by the Tariff Board to be required, or if a lower value is found to be appropriate, the finding of the Tariff Board will become at once effective. If appeal is made to the Tariff Board such value authorized by the Minister shall in default of any findings by the Tariff Board in the meantime cease to have force and effect upon the expiration of three months from the date of any such application to the Tariff Board."

THE COMMISSIONER: That is to make the Tariff Board hurry up, I suppose.

MR. McRUER: Well now, probably we should have filed, my lord, as an exhibit this memorandum, series D, No. 43, or attached to Exhibit 137.

THE COMMISSIONER: You can attach it to Exhibit 137.

-- Memorandum, Series D, 43, attached to Exhibit 137.

-- Adjourned at 5 P.M. to resume tomorrow morning at 10.30 A.M.

If no fixed value is found by the Tariff Board to be required, or if a lower value is found to be appropriate, the finding of the Tariff Board will become at once effective. If appeal is made to the Tariff Board such value authorized by the Minister shall in default of any findings by the Tariff Board in the meantime cease to have force and effect upon the expiration of three months from the date of any such application to the Tariff Board."

THE COMMISSIONER: That is to make the Tariff Board hurry up, I suppose.

MR. McTUSH: Well now, probably we should have filed, my lord, as an exhibit this memorandum, series D, No. 45, or attached to Exhibit 127.

THE COMMISSIONER: You can attach it to Exhibit 127 -- memorandum, series D, 45, attached to Exhibit 127.

-- adjourned at 5 p.m. to resume tomorrow morning at 10.30 A.M.

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

E I G H T Y - F O U R T H D A Y

(November 6, 1936)

Robert Brydie,
Official Reporter.

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

Appearances:

J.C. McRuer, K.C. and E. Beauregard, K.C.	Commission Counsel.
J.P. Lanctot, K.C. and R.L. Kellock, K.C.	For Special Committee on Primary Textile Industries.
C.G. Heward, K.C. Aime Geoffrion, K.C. and C.T. Ballantyne,	For Dominion Textile Company.
S.G. Dixon, K.C.	For Courtaulds, Limited.
L.A. Forsyth, K.C.	For Canadian Celanese Limited, and Canadian Silk Products Limited.

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A.J. Whitelaw, Secretary.

A P P E A R A N C E S:

10

J.C. Weller, K.C. and
H. Tourgeman, K.C. — Commission Counsel.

J.F. Lemoyt, K.C.
and
R.E. Kellock, K.C. — For Canadian Manufacturers Association Inc.

15

C.C. Howard, K.C.
John Sheppard, K.C.
and
G.F. Williams — For Dominion Textile Company.

S.G. Dixon, K.C. — For Courtaulds, Limited.

L.A. Gowling, K.C. — For Canadian Celanese Limited, and Canadian Silk Products Limited.

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Ottawa, Ontario,
November 6, 1936

-- The Commission resumed at 10.30 A.M.

GORDON HOOPER, (recalled)

MR. McRUER: Now, the first Exhibit that Mr. Hooper is producing this morning is a "Statement of the price of raw cotton" over a period of years from 1928 to 1936 by days.

THE COMMISSIONER: How far down does it come?

THE WITNESS: To the 20th of April, 1936.

EXHIBIT 818: Statement of the price of raw cotton from 1828 to 1936 by days.

MR. McRUER: That will require no particular discussion at the moment. Now, the next exhibit is "Statement of Dominion Textile Company's selling prices, cotton yarns on cones in cents per pound."

EXHIBIT 819P Statement of Dominion Textile Company selling prices of cotton yarns on cones in cents per pound, four sheets.

THE COMMISSIONER: Q. Is that for a period of time? A. Yes, my lord, from March 11th, 1929 to the end of 1935.

MR. McRUER: Q. Now, just to get the explanation of this statement. On the left hand side is a List No. - that is a special reference of the company? A. Yes, that is special reference of the company.

Q. For its price list number? A. Yes.

Q. Then No. 10's, that is the number of the yarn?

Ottawa, Ontario,
September 9, 1936

-- The Commission resumed at 10.30 a.m.

GORDON MOORE, (recalled)

MR. MONDER: Now, the first exhibit that Mr. Cooper is producing this morning is a "statement of the price of raw cotton" over a period of years from 1928 to 1936 by days.

THE COMMISSIONER: How far back does it go?

THE WITNESS: To the month of April, 1936.

EXHIBIT 618: Statement of the price of raw cotton from 1928 to 1936 by days.

MR. MONDER: That will require no particular discussion at the moment. Now, the next exhibit is "Statement of Dominion Textile Company selling prices, cotton yarns on cones in cents per pound."

EXHIBIT 619: Statement of Dominion Textile Company selling prices of cotton yarns on cones in cents per pound, four sheets.

MR. MONDER: Q. Is that for a period of time?

A. Yes, my lord, from March 11th, 1935 to and of 1935.

MR. MONDER: Q. Now, just to get the explanation of this statement. On the left hand side is a list No. - there is a special reference of the company?

A. Yes, that is special reference of the company.

Q. Did the price vary

A. That is the count of the yarn.

Q. No. 10 single, twisted;No. 14's, single, etc.

A. And you see it is divided, a column for hosiery and warp yarns.

Q. Then the sub-division are hosiery and warp yarns? A. Yes.

Q. Well, I think that requires no further explanation? A. The prices of the other companies have been checked with this and they agree, the dates are similar.

Q. Well, Mr. Dodd told us that their yarn agreement had been in effect for a number of years and they sold at the same prices, and you say you checked their prices and they were the same? A. Yes.

Q. When you say 'the other company' I presume you mean Wabasso and Canadian Cottons? A. And Hamilton Cottons. Wabasso was not checked with this. I believe that information was filed with the Commission, it has not been available to me.

MR. McRUER: However, for our purposes it will be sufficient in view of what Mr. Dodd has told us.

Now, the next exhibit, my lord is a comparative statement of prices of No. 10's single cottons yarns between Canada and the United States.

THE COMMISSIONER: It is American prices and Canadian prices, I suppose.

MR. McRUER: Yes, my lord, with computations of duty payable and the price of raw cotton, from 1930 to 1936.

A. That is the count of the yarn.

Q. No. Is single, twisted;no. 14's, single, etc.

A. And you see it is divided, a col umn for hosiery and warp yarns.

Q. Then the sub-division are hosiery and warp yarns? A. Yes.

Q. Well, I think that requires no further explanation? A. The prices of the other companies have been checked with this and they agree, the dates are similar.

Q. Well, Mr. Dodd told us that their yarn agreement had been in effect for a number of years and they sold at the same prices, and you say you checked their prices and they were the same? A. Yes.

Q. Then you say 'the other company' I presume you mean Dominion Cotton? A. And Canadian Cotton.

I believe that information was filed with the Commission, it has not been available to me.

MR. MORGAN: However, for our purposes it will be sufficient in view of what Mr. Dodd has told us.

Now, the next exhibit, my lord is a comparative statement of prices of no. 14's single cotton yarns between Canada and the United States.

THE COMMISSIONER: It is American prices and Canadian prices, I suppose.

MR. MORGAN: Yes, my lord, with computations of duty payable and the price of the duties, from 1920

EXHIBIT 820: Comparative statement of prices of No. 10's single cotton yarns, between Canada and the United States, between 1930 and 1936.

MR. McRuer: Now, I shall have to deal in some detail with this. Probably I had better file the next exhibit before I deal with it because the two are somewhat tied up together. The next Exhibit is a statement of mill spreads on No.10's single warp yarns, between American and Canadian --

THE COMMISSIONER: I suppose you mean mill price spreads?

MR. McRUER: No, it is the spread between the cost of the raw cotton and the selling price, that is called a mill spread.

EXHIBIT 821: Statement of mill spreads on No. 10's single cotton yarns, between Canada and the United States between 1931 and 1936.

MR. McRUER: Q. Mr. Hooper, just so that we may understand the statement let us go back to Exhibit 820 now, and take the first item, first line, January 6th, 1930. Would you tell me please, where you got your information for your raw cotton price. That would be the information set out in the raw cotton exhibit which we have filed this morning as Exhibit 818? A. I would like to point out first that after going into these prices again I got more information in July and the price of raw spot cotton in Exhibit 820 may not correspond with the prices in Exhibit 818, but Exhibit 818 was used

EXHIBIT 820: Comparative statement of prices of No. 10's single cotton yarns, between Canada and the United States, between 1930 and 1936.

MR. MOTHER: Now, I shall have to deal in some detail with this. Probably I had better file the next exhibit before I deal with it because the two are somewhat tied up together. The next exhibit is a statement of mill spreads on No.10's single warp yarns, between American and Canadian --

THE COMMISSIONER: I suppose you mean mill price spreads?

MR. MOTHER: No, it is the spread between the cost of the raw cotton and the selling price, that is called a mill spread.

EXHIBIT 821: Statement of mill spreads on No. 10's single warp yarns, between Canada and the United States between 1931 and 1936.

MR. MOTHER: Q. Mr. Hooper, just so that we may understand the statement let us go back to Exhibit 820 now, and take the first item, first line, January 6th, 1930. Would you tell me please, where you got your information for your raw cotton price.

That would be the information set out in the raw cotton exhibit which we have filed this morning as Exhibit 0007. A. I would like to point out first that after going into these prices again I get some information in July and the price of raw cotton in Exhibit 820 may not correspond with

on the mill spreads, therefore we would use that as the price of raw cotton.

Q. Where did you get your information for Exhibit 818? A. Information came from Textile brokers Sherrer & Company, checked their prices and information they had on file wit the Daily news records of trade publications showing the price of spot raw cotton middling in New York.

Q. Well, for our purposes any variations that might be between the two would be very small? A. Would be very small, and this has not been used for arriving at any conclusions. That was put in there for reference in the first place.

Q. Well then, to go back to 820, you have first the price of raw cotton and then the United States selling price per 100 pounds? A. Yes, sir.

Q. $29 is there. Where would you get those figures, the United States selling prices? A. They were obtained in the same way by checking daily news records with the Textile Brokers, and using the information supplied or published in the daily news records.

MR. GEOFFRION: Q. Are they northern or southern prices? A. I think they are Philadelphia prices in most cases.

MR. McRUER: Q. Well, at any rate---

THE WITNESS: It is the price that is used there on this particular ---

on the mill spreads, therefore we would use that as the price of raw cotton.

Q. Where did you get your information for Exhibit 818? A. Information came from Textile brokers Shearer & Company, checked their prices and information they had on file with the Daily News records of trade publications showing the price of spot raw cotton selling in New York.

Q. Well, for our purposes any variations that might be between the two would be very small? A. Would be very small, and this has not been used for arriving at any conclusions. That was put in there for reference in the first place.

Q. Well then, to go back to 820, you have first the price of raw cotton and then the United States selling price per 100 pounds? A. Yes, sir.

Q. 820 is there. Where would you get those figures, the United States selling prices? A. They were obtained in the same way by checking daily news records with the Textile brokers, and using the information supplied or published in the daily news records.

MR. CONNAUGHTON: Q. Are they northern or south-ern prices? A. I think they are Philadelphia prices in most cases.

MR. MORDEN: Q. Well, at any rate---

THE WITNESS: It is the price that is used there in this particular ---

Q. They were the prevailing prices there?

A. Yes, they were the prevailing prices there.

Q. So that wherever they are manufactured one mill would have to meet the other substantially in regard to selling price eventually. Then you have currency exchange rate. You made calculations for that when there was a currency exchange rate that made some material difference? A. Yes.

Q. Then you had the value of Canadian funds. You convert the United States selling prices into Canadian funds and where there is a difference make the proper calculation to do so? A. Yes.

Q. Then you have the Value for duty. That is a calculation made as you would make it if you were appraising them for duty into Canada? A. That is right.

Q. And then you have the Duty leviable at different periods covered by the statement? A. Right.

Q. And these statements will show the change in duty where a change took place? A. ~~S~~ From time to time.

Q. Show the amount in dollars and cents on the 100 pounds of yarn? A. That is right.

Q. Then we have a column for the Specific Duty and one for the Ad valorem Duty. When Specific Duty was leviable it is shown in this column?

A. Yes.

Q. Then you have a column for the Excise Tax when

Q. They were the prevailing prices there?

A. Yes, they were the prevailing value there.

Q. So that wherever they are manufactured one mill would have to meet the other substantially in regard to selling price eventually. Then you have currency exchange rate. You made calculations for that when there was a currency exchange rate that made some material difference? A. Yes.

Q. Then you had the rate of Canadian funds. You convert the United States selling prices into Canadian funds and where there is a difference make the proper calculation to do so? A. Yes.

Q. Then you have the value for duty. That is a calculation made as you would make it if you were appraising them for duty into Canada? A. That is right.

Q. And then you have the duty levisable at different periods covered by the statement? A. Right.

Q. And these statements will show the change in duty where a change took place? A. From time to time.

Q. Show the amount in dollars and cents on the 100 pounds of yarn? A. That is right.

Q. Then we have a column for the Specific Duty and one for the Ad valorem Duty. When Specific Duty was levisable it is shown in this column?

A. Yes.

Q. Then you have a column for the Excise Tax when

it was leviable? A. Yes.

Q. And then you have the Value including Duty and Excise Tax - that would be the laid-down value here with the exception of the cost of transportation?

5 A. That is right.

Q. And the cost of transportation would always be added to these figures to determine the laid-down cost in Canada? A. Yes.

10 Q. But, of course, you could not very well get the cost of transportation because it would vary in points that they are shipped to - vary in points shipped from and shipped to ? A. Yes.

Q. Then you have in the last column the Dominion

15 Textile Company's prices to manufacturers? A. Yes.

Q. That is, will correspond with their list price in Exhibit 819? A. Yes.

Q. Now then, may we just take some examples in

20 the perusal of this statement. We will take the first one on the list, January 6, 1930. Raw cotton appears to have been at a very high point at that time? A. Yes, $17.05.

Q. Now, 17.5? A. That should be 17.05.

25 On Exhibit 820, cost of raw cotton on January 1st, the United States Selling price was $29.00. There was no currency exchange, $29 was the value in Canadian funds. The value for duty was $29.00 and the duty

30 leviable was $5.80. The value, including duty and excise, $34.80 for the 100 pounds? A. Yes.

it was levinble? A. Yes.

Q. And then you have the Value including Duty and Excise Tax - that would be the land-down value here with the exclusion of the cost of transportation?

A. That is right.

Q. And the cost of transportation would always be added to these figures to determine the land-down cost in Canada? A. Yes.

Q. But, of course, you could not very well get the cost of transportation because it would vary in points that they are shipped to - vary in points shipped from and shipped to ? A. Yes.

Q. Then you have in the last column the Dominion Textile Company's prices to manufacturers? A. Yes.

Q. That is, will correspond with their list price in Exhibit 819? A. Yes.

Q. Now then, may we just take some examples in the pursuant of this statement. We will take the first one on the list, January 6, 1920. How cotton appears to have been at a very high point at that time? A. Yes, $17.05.

Q. Now, 17.5? A. That should be 17.05.

On Exhibit 820, cost of raw cotton on January 1st, the United States Selling price was $28.00. There was no currency exchange, $28 was the value in Canadian funds. The value for duty was $28.00 and the duty levied was $5.80. The value, including duty and excise, $34.80 for the 100 pounds. A. Yes

Q. The Dominion Textile's price to manufactuers, was $35.50, 70 cents over the duty-paid value and I suppose that duty would likely be taken up in transportation at least? A. Yes.

Q. Well now, we come on through 1930 and we will take the last item that you show here before the change- that is, on June 4th, raw cotton was $15.85. The United States selling price $24.50. The value in Canadian funds, $24.50. The duty payable $4.90. The value, including duty and excise, $29.40, and the Dominion Textiles selling price $31.50. Then on September 17th, 1930, the duty rate was changed from 20 per cent. ad valorem to 22½% ad valorem plus 4 cents per pound - that is correct? A. Right.

Q. And you have a note that there was a 115% increase in the duty at that time? A. Yes.

Q. Now then, on October 17th, the price of raw cotton was $10.15. Therehad been a large drop from June to October. The United States selling price was $19.50. The value for duty was $19.50. The duty payable on 100 pounds was now $8.39, as against the duty payable on 100 pounds ---

THE COMMISSIONER: Q. Where do you get the $8.39?

MR. McRUER: The specific and ad valorem added together. $8.39 as against $4.90 that had been payable in June on 100 pounds. The duty paid value $27.89. The Dominion Textiles selling price $25.50. Now, when we come to the year 1931, there is a slight

Q. The Dominion Textile's price to manufacturers, was $35.30, 70 cents over the duty-paid value and I suppose that duty would likely be taken up in transportation at least? A. Yes.

Q. Well now, we come on through 1930 and we will take the last item that you show here before the cuts, that is, on June 4th, raw cotton was $15.85. The United States selling price $24.30. The value in Canadian funds, $24.30. The duty payable $4.90. The value, including duty and excise, $30.10, and the Dominion Textiles selling price $31.30. Then on September 17th, 1930, the duty rate was changed from 30 per cent, ad valorem to 22½% ad valorem plus 4 cents per pound - that is correct? A. Right.

Q. And you have a note that there was a 115% increase in the duty at that time? A. Yes.

Q. Now then, on October 17th, the price of raw cotton was $10.15. There had been a large drop from June to October. The United States selling price was $19.30. The value for duty was $19.30. The duty payable on 100 pounds was now $3.39, as against the duty payable on 100 pounds ---

THE COMMISSIONER: Q. Where do you get the $3.39?

MR. MORDEN: The specific and ad valorem added together. $3.39 as against $4.90 that had been payable in June on 100 pounds. The duty paid value $17.07. The Dominion textiles selling price $19.30

change in that. On June 2nd, 1931 there was one per cent. excise tax levied on importations which affected this yarn? A. Yes.

Q. Then your next item after that was August 1st. The price of raw cotton was now $8.10. United States selling price was $15.50. The value for duties $15.50. The duty payable, ad valorem $3.49, specific $4.00 or a total of $7.49, and an excise tax of 23 cents added to that makes the total value for duty $23.22? A. The total value.

Q. Total duty paid value $23.22. Dominion Textile selling price --- A. $22.50.

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change in that. On June 2nd, 1921 there was one per cent, excise tax levied on importations which

[illegible] A. Yes.

Q. Then your next item after that was August 1st. The price of raw cotton was now $8.10. United [illegible] selling price was $15.50. The value for duties $15.50. The duty payable, ad valorem $2.48, specific $4.00 or a total of $7.48, and an excise tax of 52 cents added to that makes the total value for duty $22.98? A. The total value.

Q. Total duty was value $22.98. [illegible]

Textile selling price --- A. $22.98.

In April 1922 there was a further change in that the excise tax was increased to 3 per cent so that on June 29 the price of raw cotton was $5.55, and the United States selling price $10.50, and the rate of exchange $14.38, making the value in Canadian funds of $12.01. That would operate as a further protection to Canadian manufacturers, would it not?

A. In part, yes.

Q. The value for duty was $12.01, the ad valorem duty $2.70, the specific duty $4.00, the excise tax 56 cents. Value including duty and excise, 1927, Dominion Textile selling price $21.00. Now, just at that point the excise tax alone that was leviable at this time was 56 cents on 100 pounds as compared with a total duty of $4.90 on June 4, 1930. That is just by way of comparison.

Now, down to this time the selling price in the United States dropped from $29.00 to $10.50. In Canada the selling price dropped from $35.50 to $21.00. So in one case there was a drop of $18.50 in the United States as against a drop in Canada of $14.50

THE COMMISSIONER: In the United States?

MR. McRUER: $18.50 in the United States as against a drop in Canada of $14.50, that is correct, is it not Mr. Hooper?

THE WITNESS: Yes, sir.

BY MR. McRUER: Q. We might proceed from there to deal more or less with years, and not in every case. Take October 26, 1932. The price of raw cotton had risen a little and was not $6.40. The price in the United States rose; it was $13.50, and the exchange moderated a little. The value for duty, $14.86, duty payable $7.34, and 67 cents excise. So the October duty and excise paid value was $22.87, and the Dominion

In April 1929 there was a further change in that the [illegible] June 29 the price of raw cotton was $5.55, and the United States selling price $10.30, and the rate of exchange $14.38, making the value in Canadian funds of $15.01. That would operate as a further protection to Canadian manufacturers, would it not?

A. In part, yes.

Q. The value for duty was $15.01, the ad valorem duty $5.70, the specific duty $4.00, the excise tax 58 cents. Value including duty and excise, 1927, Dominion textile selling price $21.00. Now, just at that point the excise tax alone that was levisable at this time was 58 cents on 100 pounds as compared with a total duty of $4.90 on June 4, 1930. That is just by way of comparison.

Now, down to this time the selling price in the United States dropped from $29.00 to $10.30. In Canada the selling price dropped from $25.50 to $21.00. So in one case there was a drop of $18.50 in the United States as against a drop in Canada of $[illegible]

THE COMMISSIONER: In the United States?

MR. McMURRICH: $18.50 in the United States as against a drop in Canada of $14.50, that is correct, is it not Mr. Hooper?

THE WITNESS: Yes, sir.

BY MR. McMURRICH: Q. We might proceed from there to deal more or less with years, and not in every case. Take October 26, 1929. The price of raw cotton had [illegible] and was not $6.40. The price in the United States [illegible] was $12.50, and the exchange moderated a little. The value for duty, [illegible] $7.14, [illegible] cents excise. So the [illegible]

Textile price was $23.00. In 1933 there was a sharp upturn in the United States at or about the time that the NRA came into effect, was there not?

A. Yes, sir.

Q. The price in the United States in April was $13.75 as against a price in Canada of $24. By August 1933 the price in the United States had risen to $30.50 as against a price in Canada of $18.

A. The difference between July12th and August 16th is partly due to the processing tax.

Q. Oh yes? A. I would say it is all due to the processing tax.

BY THE COMMISSIONER: Q. Are you talking of the United States now? A. Yes, my lord.

Q. Was their processing tax removed? A. It became effective on the first of August.

Q. What brought down the price of raw cotton from $11.55 to $8.65 (?) ? A. That would be the demand. It would not have anything to do with the processing tax.

Q. The processing tax takes effect in the next column? A. Yes, my lord.

BY MR. McRUER: Q. There is a jump in July from $25 to $30.50 in August. A. Yes, that would be $4.50, which would be due to the processing tax.

Q. So when we see that in August 1930 the price in the United States was $30.50, and compare it with the price in Canada of $28, the American price has included in it about $5.50 processing tax.

A. About $4.50.

Q. About $4.50 processing tax which was not leviable in Canada, and in the meantime a drastic

Textile price was $22.00. In 1922 there was a sharp upturn in the United States at or about the time that the MFA came into effect, was there not?

A. Yes, sir.

Q. The price in the United States in April was $16.75 as against a price in Canada of $24. By August 1922 the price in the United States had risen to $30.50 as against a price in Canada of $18.

A. The difference between July 25th and August 10th is partly due to the processing tax.

Q. Oh yes? A. I would say it is all due to the processing tax.

BY THE COMMISSIONER: Q. Are you talking of the United States now? A. Yes, my lord.

Q. The tax processing tax somewhat? A. It became effective on the first of August.

Q. What brought down the price of raw cotton from $11.55 to $6.65 (?) ? A. That would be the demand. It would not have anything to do with the processing tax.

Q. The processing tax takes effect in the next column? A. Yes, my lord.

BY MR. MONDER: Q. There is a jump in July from $25 to $30.50 in August. A. Yes, that would be $4.50, which would be the processing tax.

Q. So when we see that in August 1920 the price in the United States was $30.50, and compare it with the price in Canada of $18, the American price has included in it about $5.50 processing tax.

A. About $4.50.

Q. About $4.50 processing tax which was not payable in Canada, and in the meantime a drastic

increase in wages and shorter hours had come into effect in the United States? A. Yes, that might be another three or four cents.

Q. Three or four dollars on one hundred pounds A. You might take eight dollars at that time as due to the processing tax and the NRA. The NRA became effective on the 17th of July, but of course prices before the 17th of July were influenced by the action the government were taking.

MR. BALLANTYNE: How much of that spread does the witness attribute to the processing tax?

THE WITNESS: About seven to eight dollars.

MR. McRUER: To NRA provisions.

MR. BALLANTYNE: Increased labour cost.

THE WITNESS: Yes, increased labour cost.

THE COMMISSIONER: And the processing tax.

THE WITNESS: Yes, my lord, both.

BY THE COMMISSIONER: Q. You say the processing tax alone is $4.50? A. Yes.

Q. And the rest is increased labour? A. Increased labour.

BY MR. McRUER: It is just an estimate? A. I would say about eight dollars in all.

MR. BALLANTYNE: What would the rest of that be? You account for eight dollars but there is still about $17.

THE WITNESS: Up to August, it must be remembered, prices just went out of control altogether. They did not know where the price would eventually land.

BY MR. McRUER: Q. It would not be sound to

increase in wages and shorter hours had a me into effect in the United States? A. Yes, that might be another three or four cents.

Q. Three or four dollars on one hundred pounds?

A. You might take eight dollars at that time as due to the processing tax and the NRA. The NRA became effective on the 17th of July, but of course prices before the 17th of July were influenced by the action the government were taking.

MR. BARLOW: How much of that proved does the witness attribute to the processing tax?

THE WITNESS: About seven to eight dollars.

MR. MORGAN: To NRA provisions.

MR. [illegible]: Increased labour cost.

THE WITNESS: Yes, increased labour cost.

THE COMMISSIONER: And the processing tax.

THE WITNESS: Yes, my lord, both.

BY THE COMMISSIONER: Q. You say the processing tax alone is $4.50? A. Yes.

Q. And the rest is increased labour?

A. Increased labour.

BY MR. MORGAN: It is just an estimate?

A. I would say about eight dollars in all.

MR. BARLOW: What would the rest of that be? You account for eight dollars but there is still about $17.

THE WITNESS: Up to August, it must be remembered, prices just went out of control altogether. Why did you know where the price would eventually stand.

BY MR. [illegible]: Q. It would not be wrong to

take and particular date and draw any drastic deductions from it, would it, Mr. Hooper? A. Not during this period.

Q. You have to take a survey of the whole statement moreor less? A. Yes.

BY THE COMMISSIONER: Q. Did this processing tax affect the item of $25 on July 12 ? A. No. I would say the NRA affected that.

Q. But not the processing tax ? A. No, not the processing tax.

Q. That was not yet effective? A. They may have anticipated it.

Q. There is a spread of $4.50 between July 12 and August 15 ? A. Yes, my lord.

Q. And that is entirely a processing tax? A. The NRA came into effect on the17th of July.

MR. McRUER: What Mr. Hooper was suggesting was that for a few weeks before the NRA came into effect there was an increase inprices due to the expectation that there was going to be a higher cost of manufacture.

THE COMMISSIONER: In the meantime this tax of $4.50 came into force. That was a very concrete thing.

THE WITNESS: That came into force on the first of August.

MR. BLAIR GORDON: What was in process was exempted at the time the tax became effective.

THE WITNESS: What was in process and in stock was assessed.

MR. BLAIR GORDON: Oh, that was it, and it applied right through?

tere and particular date and give any drastic de-
ductions from it, would it, Mr. Cooper? A. not
during this period.

Q. You have to take a survey of the whole
statement over less? A. Yes.

BY THE COMMISSIONER: Q. Did this proceeding
tax effect the item of $25 on July 2? A. No.
I would say the NRA affected that.

Q. Did not the proceeding tax? A. No,
not the proceeding tax.

Q. That was not yet effective? A. They
may have anticipated it.

Q. There is a spread of $4.50 between July 13
and August 14? A. Yes, my lord.

Q. And that is entirely a processing tax?
A. The NRA came into effect on the 17th of July.

MR. [illegible]: Only Mr. [illegible] was [illegible]
was that for a few weeks before the NRA came into
effect there was an increase in prices due to the
expectation that there was going to be a higher
cost of manufacture.

THE COMMISSIONER: In the meantime this tax of
$4.50 came into force. That was a very [illegible] rate
[illegible].

THE WITNESS: That came into force on the
first of August.

MR. DUNIR COHOON: What was in process was
exempted at the time the tax became effective.

THE WITNESS: That was in process and in stock
[illegible].

MR. [illegible]: Q. Just see if, [illegible]
[illegible] Vight [illegible]

THE WITNESS: Yes.

BY THE COMMISSIONER: Q. What was the basis of this processing tax? A. The basis was $4.20 for a pound of raw cotton, and you have to work that by the loss, waste and certain types of fabric. It was all worked out later on on a basis, and figures were given for the different months.

Q. Does it still apply, by the way? A. No, it was cancelled on the sixth of January 1936.

BY MR. McRUER: Q. It would apply to all this statement with the exception of the last item, after it came into effect? A. Yes, as far as the selling price in the United Statesis concerned. Of course we have deducted for duty purposes later on.

Q. We will now proceed. In 1934 --

MR. BALLANTYNE: Before you pass from that point, was there some question of a rebate of that tax on exported goods, Mr. Hooper?

THE WITNESS: There was a drawback provided by law on goods exported. If they were manufactured in bond the tax was not collected.

MR. BALLANTYNE: And if they were manufactured and exported?

THE WITNESS: If they were manufactured in bond and exported there was no tax levied on the goods.

BY THE COMMISSIONER: Q. You mean no processing tax? A. No processing tax, and if the goods were not manufactured in bond and exported there was a drawback of the purchasing tax levied. Up to July 21, 1934, that had no effect.

[illegible] 1[illegible].

Q. What was the basis of this processing tax? A. The basis was $4.50 for a pound of raw cotton, and you have to work that by the loss, waste and certain types of fabric. It was all worked out later on on a basis, and figures were given for the different months.

Q. Does it still apply, by the way? A. No. It was cancelled on the sixth of January 1936.

BY MR. MORGAN: Q. It would apply to all [illegible] operations or the last item after it came into effect? A. Yes, we [illegible] for as the selling price in the United [illegible] concerned. Of course we have deducted for duty purposes later on.

Q. We will now proceed. In 1934 --

MR. MACLAUGHLIN: Before you pass from the duty, was there some question of a rebate of that [illegible] Mr. Hooper?

THE WITNESS: There was a drawback provision by law on goods exported. If they were manufactured in bond the tax was not collected.

MR. MACLAUGHLIN: And if they were manufactured [illegible]?

THE WITNESS: If they were manufactured [illegible] and exported [illegible] the duty.

BY THE COMMISSIONER: Q. You mean no processing tax? A. No processing tax.

And if the goods were not manufactured in bond and exported there was a drawback of the processing tax [illegible]. Up to July 31, 1934, that had no effect

We did not allow any exemption on account of processing tax whether it was allowed on the selling price or not.

BY. MR. McRUER: Q. You have a note here, "United States processing tax not included in value for duty purposes from July 21, 1934." A. Yes. Prior to that, from the first of August, 1933, if the selling price was less than the fair market value, which was the selling price shown here, dumping duty would be collected whether the difference was due to processing tax or not, but after the 21st of July, 1934, that processing tax was allowed.

Q. So the duty you show on these statements or the duties leviable, they are the normal duties you have levied on similar goods imported at these times? A. Yes, sir.

Q. Now we come to 1934. In January the United States selling price was $28.50. There was a small currency exchange. The duty leviable would be ad valorem $6.41, specific $4, excise $1.17, or in all $11.58? A. Yes.

Q. Just let us see how that compares with the duty that was leviable on 100 pounds prior to September 1930. $4.90 was leviable on 100 pounds on June 4, 1930, but by this date, January 1934, it was $11.58 ?

MR. BALLANTYNE: Would you put in the Dominion Textile price, Mr. McRuer, before you leave that last item?

MR. McRUER: I cannot give more than one column at a time. The duty paid value was $40.09, the Dominion Textile selling price $29, so that apparently the Dominion Textile Company had $11.09 more margin to

we did not allow any exemption on account of processing tax whether it was allowed on the selling price or not.

MR. MR. MACLEAN: . You have a note here, "United States processing tax not included in value for duty purposes from July 21, 1934." A. Yes. Prior to that, from the first of August, 1933, if the selling price was less than the fair market value, which was the selling price here, ad valorem duty would be collected whether the difference was due to processing tax or not, but after the 21st of July, 1934, that processing tax was allowed.

Q. So the duty you show on these statements of the fair dutiable, they are the normal duties you have levied on similar goods imported at these times? A. Yes, sir.

Q. Now we come to 1934. In January the [illegible] was [illegible] a small surtaxy exchange. The 3% dutiable would be ad valorem 3.41, specific 34, make 41.17, or in all 11.58? A. Yes.

Q. Just let us see how that compares with the duty that was dutiable on 100 pounds prior to September 1930. 44.30 was dutiable on 100 pounds on June 1930, but by this date, January 1934, it was 11.58?

MR. [illegible]: Would you put in the Dominion textile price, Mr. Mather, before you leave that last item?

MR. MACLEAN: I cannot give more than one column at a time. The duty paid value was $40.09, the Dominion textile selling price $29, so that apparently the Canadian textile company had [illegible] weeks by

go on on the basis of their selling price of that date.

MR. BALLANTYNE: That is a nice way of putting it.

THE WITNESS: Cannot we say Cotton Manufactures

MR. McRUER: when I say Dominion Textile what Mr. Hooper points out is correct, that while we have the X Dominion Textile selling price here it is the selling price of the manufacturers, and what I say applies to all the manufacturers. I do not want to be singling out any one company at all. It is $11.09 as compared with $11.58 duty payable.

BY MR. McRUER: Q. Now we will take July 1934. The rice of raw cotton had risen to $13.25. The United States selling price was $28.50. Their selling price apparently was maintained the same as when raw cotton was $10.85. That is one of the things, I suppose, that we cannot explain very well. A. The $28.50 might be explained because after September of 1933 and the strike in the United States prices were a little higher than what might be the normal. The strike in 1933 influenced prices for some time afterwards. Pardon me I think the strike was in 1934, not 1933.

Q. The duty paid value was $40.08, and the price to manufacturers $32. Then we come to 1935. On November 15, 1935, the selling price in the United States was $28.50, which is still the same. There was a currency exchange at that time, and the value for duty was $24.28, and the duty and excise payabl $10.47; duty paid value $34.75 and the price to manufacturers $29.50.

so on on the basis of their selling price of that date.

MR. ROLLAND: That is a nice way of putting it.

THE WITNESS: Cannot we say Cotton Manufacturers.

MR. MCGEE: When I say Dominion Textile that Mr. Hooper points out is correct, that while we have the A Dominion Textile selling price here it is the selling price of the manufacturers, and what I say applies to all the manufacturers. I do not want to be singling out any one company at all. It is $11.09 as compared with $11.38 duty payable.

BY MR. MCGEE: Q. Now we will take July 1924. The price of raw cotton had risen to $16.85. The United States selling price was $28.30. Their selling price apparently was maintained the same as when raw cotton was $10.85. That is one of the things, I suppose, that we cannot explain very well. A. The $28.30 might be explained because after September of 1924 and the strike in the United States prices were a little higher than what might be the normal. The strike in 1928 influenced prices for some time afterwards. Perhaps we I think the strike was in 1924, not 1923.

Q. The duty paid value was $40.08, and the price to manufacturers $32. Then we come to 1925. In January 15, 1925, the selling price in the United States was $28.30, which is still the same. There was a currency exchange at that time, and the value for duty was $24.28, and the duty and excise payable $11.47; duty paid value $24.73 and the price to manufacturers $27.10.

Then we come to 1936, April. The intermediate tariff of 15 per cent and 5½ cents a pound became applicable after the Canada-United States agreement, th A. The 2nd of January, 1935.

Q. The illustration we have here is the United States selling price, $23.50; it had dropped by $5 in the mea time. A. That is on account of the processing tax. The processing tax was abolished on the 5th of January.

Q. I see. The duty and excise paid by you was $21.59. The duties amounted to $7.04, and the excise to 92 cents. The duty paid value and excise paid value was $21.59, and the selling price to manufacturers $29.50.

Now to deal with Exhibit 821, which deals with mill spreads. Let us see how you have set this up, Mr. Hooper. A. The first column gives the date and then the other columns give New York Spot Raw Cotton, per pound, Currency Exchange Rate, Excise Tax, and the fifth column the value of raw cotton in Canadian funds, with 15 per cent for waste.

Q. The value in Canadian funds, including excise, plus 15 per cent waste, what is the explanation of that, the addition of 15 per cent for waste? A. That is the loss that accrued between the raw cotton and the finished article, in this case yarn. That is an estimate. It is an average that was estimated by the companies in 1932.

Q. So what you are trying to do is to make a fair calculation of the raw material, that is the raw cotton going into the yarn? A. Yes, or coming out in the yarn.

Then we come to 1926, April. The intermediate tariff of 15 per cent and 5½ cents a pound became applicable after the Canada-United States agreement, th A. The 2nd of January, 1926.

Q. The illustration we have here is the United States selling price, $21.50; it had dropped by $5 in the mean time. A. That is on account of the processing tax. The processing tax was abolished on the 6th of January.

Q. I see. The duty and excise paid by you was $1.34. The duties amounted to $7.04, and the excise to 92 cents. The duty paid value and excise paid value was $1.50, and the selling price to manufacturers $23.00.

Now to deal with Exhibit 881, which deals with mill agreeds. Let us see how you have set this up, Mr. Hooper. A. The first column gives the [illegible] and then the other columns give the [illegible] Raw Cotton, per pound, Currency Exchange Rate, Duties Tax, and the fifth column the value of raw cotton in Canadian funds, with 15 per cent for waste.

Q. The value in Canadian funds, including duties, plus 15 per cent waste, what is the explanation of that, the addition of 15 per cent for waste? A. That is the loss that accrued between the raw cotton and the finished article, in this case yarn. That is an estimate. It is an average that was estimated by the companies in 1922.

Q. So what you are trying to do is to make a fair calculation of the raw material, that is the raw cotton going into the yarn? A. Yes, or coming out in the yarn.

Q. The cost of raw cotton that is actually in the yarn after it is produced? A. Yes.

Q. With all proper allowances for currency exchange, excise tax and waste. A. That would be approximately the value of the raw cotton in the Canadian yarn. Of course, there is freight in addition to that.

Q. Yes. The mill spread, that is the spread between the Canadian price to manufacturers and the price of the raw material, in that case $15.46.
A. $15.46 per pound.

Q. Until we get to 1930 you have not got these calculations for the American mills?
A. That is right.

Q. So we cannot make comparisons till we come to 1930. You have made the same calculations for the American mills? A. That is the price of raw cotton, plus 15 per cent for waste. There is nothing in there for currency exchange nor excise.

Q. No, quite so. Now the mill spread on the 6th of January 1930 in Canada was $15.89, if we still deal with this unit of 100 pounds that we were dealing with before. That would be $15.89. A. That is right.

Q. And the United States, $9.39. Then we go on and take the 4th of June 1930. In Canada $13.21, in the United States $6.21. Now we come to the 1st of August 1931. It is $10.71 in Canada and $3.83 in the United States. That seems to be about almost the low point in the United States. Then in 1932 it commences in Canada at $13.48, and in the

Q. The cost of raw cotton that is actually in the yarn after it is produced? A. Yes.

Q. With all proper allowance for currency exchange, excise tax and waste. A. That would be approximately the value of the raw cotton in the finished yarn. Of course, there is freight in [illegible].

Q. Yes. The mill spread, that is the spread between the selling price to manufacturers and the price of the raw material, in that case is $15.46.

A. $15.46 per pound.

Q. Until we get to 1920 you have not got these calculations for the American mills?

A. That is right.

Q. So we cannot make comparisons till we come to 1920. You have made the same calculations for the American mills? A. That is the price of raw cotton, plus 15 per cent for waste. There is nothing in there for currency exchange or excise.

Q. No, quite so. Now the mill spread on the 6th of January 1920 in Canada was $16.39, if we shall deal with this unit of 100 pounds that we were [illegible] in Canada. [illegible] is right.

Q. And the United States, $9.39. Then we go on and take the 4th of June 1920. In Canada $16.21. In the United States $8.21. Now we come to the 1st of August 1921. It is $10.71 in Canada and $6.26 in the United States. That seems to be about [illegible] in Canada [illegible] $11.40, and in the

United States $4.12. On the 20th October 1932 it is $14.66 in Canada and $6.14 in the United States. In 1933 on June 15 it was $15.10 in Canada as against $9.71 in the United States. On the 11th of July 1933 it was $15.74 in Canada as against $12.75 in the United States. That is when you suggested the upturn had commenced in the United States in anticipation of the NRA. A. You can go back to June 15.

Q. Go back to June 15 ? A. Prices started to advance then.

Q. Then on the 12th of July 1933 the Canadian mill spread was $15.62 and the American $11.72. Then we come to the time the NRA actually came into effect, and the purchasing tax would be included in this mill spread, would it ? A. Oh yes, and the NRA.

Q. On August 16, 1933, the mill spread in Canada was $17.12 and in the United States $20.55 ? A. Yes.

Q. Just to deal with this year 1933 again, that was the year during which a numbe of the large mills reduced their wages, and we find that on the 31st of March the mill spread was $14.03 in Canada. That had increased by July to $15.74, and by August it had become $17.12 although there had been a reduction in wages. A. You are referring to what ?

Q. I am referring to the Canadian mills.

THE COMMISSIONER: Is Mr. Hooper taking cognizance of the reduction of wages? You know nothing, Mr. Hooper about the internal factors?

THE WITNESS: I asked that question because Mr. McRuer did not mention Canadian mills.

United States $4.15. On the 6th October last it is $14.66 in Canada and $5.14 in the United States.

In 1922 on June 15 it was $15.10 in Canada as against $9.71 in the United States. On the 11th of July last it was $13.74 in Canada as against $12.79 in the United States. That is when you suggested the return had commenced in the United States in anticipation of the N.R.A. A. You can go back to 1920.

Q. In case in 1920? A. Prices started to advance then.

Q. Then on the 12th of July 1922 the Canadian mill spread was $19.87 and [illegible].

Then we come to the time the NRA actually came into effect, and the purchasing tax would be included in this mill spread, would it? A. Oh yes, and [illegible].

Q. On August 16, 1933, the mill spread in Canada was $17.12 and in the United States $20.55? A. Yes.

Q. Just to deal with this year 1933 again, that was the year during which a number of the large mills reduced their wages, and we find that on the 16th of March the mill spread was $14.05 in Canada. That had increased by July to $13.74, and by August it had become $17.12 although there had been a reduction in wages. A. You are referring to what?

Q. I am referring to the Canadian mills.

[illegible] of the reduction of wages? You know nothing, Mr. Hooper about the internal factors?

THE CHAIRMAN: I asked that question because Mr. Hooper did not mention Canadian mills.

BY MR. McRUER: Q. As far as the Canadian mills are concerned, Mr. Hooper, you only know what has been given in evidence before the commission in respect to that ? A. Yes.

Q. All I was doing was probably making an observation more than anything else to couple it up, to show that during the time the wages decreased here the mill spread increased, and in the United States when the wages increased the mill spread increased? A. Yes.

Q. That we had the reverse in Canada at that particular time. Then we come to January 1934 when the mill spread in Canada was $16.14, and in the United States $16.02.

(Page 11805 follows)

BY MR. McGUIRE: Q. As far as the Canadian mills are concerned, so. Dawson - you only know what was been given in evidence before the commission in regard to that ? A. Yes.

Q. All I was doing was probably making an construction more than anything else to couple it up, to show that during the time the wages decreased here the mill spread increased, and in the United States when the wages increased the mill spread increased?

A. Yes.

Q. That we had the reverse in Canada at that particular time. Then we come to January 1914 when the mill spread in Canada was 16.14, and in the United States 16.02.

(Page 11605 follows)

It had dropped between August and January from 20.55 in the United States to 16.02, or about 4.50. Is there any explanation of that that you know of, Mr. Hooper ? A. I said before the prices in August, 1933 were abnormally high, and after they had costed their goods and knew exactly, or had a better idea what the cost of the goods would be under the N.R.A., and the processing tax the prices were revised downwards.

Q. Then we go on from January 8th, 1934 to -- Now, just let us see how long the N.R.A. was in effect in the United States; do you know when it was dropped ? A. No, I don't.

Q. Some time in 1935; I will take up to the 16th of September, and we will see --

SECRETARY WHITELEY: It was the processing tax, wasn't it ?

THE WITNESS: No, that is a different thing.

SECRETARY WHITELEY: Why?

THE WITNESS: That is the A.A.A.

SECRETARY WHITELEY: The wage principles of the Code are practically still in effect.

MR. McRUER: Yes, the wage principlesof the code are largely in effect according to the evidence we have had. Well, in July -- we will take at the middle of 1934 -- the mill spread was 16.30 in Canada and in the United States 13.26, and that appears again notwithstanding that they have a 40 hour week in the United States and the increased wages there. In November, 1935 the mill spread in Canada was 14.71 and in the United States 14.30, and then in 1936 we have

the United States to 14.02, or about 4.50. Is that any explanation of that that you know of, Mr. Hooper?

A. I said before the prices in August, 1933 were abnormally high, and after they had cooled their goods and knew exactly, or had a better idea what the cost of the goods would be [illegible], and the increasing tax the prices were revised downwards.

Q. Then we go on from January 8th, 1934 to -- now, just let us see how long the N.R.A. was in effect in the United States; do you know when it was dropped? A. No, I don't.

Q. Some time in 1935; I will take up to the 10th of September, and we will see --

SECRETARY WHITELEY: It was the proceeding week, I'd say.

THE WITNESS: No, that is a different thing.

SECRETARY WHITELEY: Why?

THE WITNESS: That is the N.R.A.

SECRETARY WHITELEY: The wage principles of the code are practically still in effect.

MR. [illegible]: Yes, the wage principles of the code are largely in effect according to the evidence we have had. Well, in July -- we will take at the middle of 1934 -- the mill spread was 16.30 in Canada and in the United States 13.26, and that appears again notwithstanding that they have a 40 hour week in the United States and the increase wages there. In December, 1935 the mill spread in Canada was 14.71 and in the United States 14.00, and then in 1936 to June

on the 20th of April the mill spread in Canada was 15.47 as against 9.96 in the United States. The selling price at that time of yarn in the United States was 23.50 as against 29.50 in Canada which accounts just about exactly for the difference, of course.

THE COMMISSIONER: We will adjourn for a few moments.

-- The Commission adjourned for a short recess.

-- On resuming.

BY MR. McRUER: Q. Now, Mr. Hooper, this is a statement in respedt to No. 30 twisted warped yarn, cotton warped yarn, 100 pounds, No. 30's, Twisted.

THE COMMISSIONER: Pardon me a moment, a statement of prices, is it ?

MR. McRUER: Well, it is the same as the others, my lord, giving the prices of raw cotton and the United States selling prices. It is a comparative statement between Canada and the United States prices with calculations of duty payable on 100 pounds, No. 30 twisted warp yarn.

THE COMMISSIONER: What do you call it , twisted cotton yarn ?

MR.McRUER: No. 30's.

THE COMMISSIONER: Twisted cotton ?

MR.McRUER: Yes.

THE COMMISSIONER: That will be Exhibit 822.

EXHIBIT No. 822: Comparative statement of prices between Canada and the United States as to cotton warp yarn No. 30's twisted from 1930 to 1936.

on the 29th of April the mill spread in Canada was 15.47 as against 9.98 in the United States. The selling price at that time of yarn in the United States was 23.50 as against 25.50 in Canada which accounts just about exactly for the difference, of course.

THE COMMISSIONER: We will adjourn for a few months.

-- The Commission adjourned for a short recess.

-- On resuming.

MR. MONDER: Now, Mr. Hanner, this is a statement in respect to No. 30 twisted warped yarn, cotton warped yarn, 100 pounds, No. 30's, Twisted.

THE COMMISSIONER: Pardon me a moment, a statement of prices, is it?

MR. MONDER: Well, it is the same as the others, my lord, giving the prices of raw cotton and the United States selling prices. It is a comparative statement between Canada and the United States prices with calculations of duty payable on 100 pounds, No. 30 twisted warp yarn.

THE COMMISSIONER: What do you call it, twisted cotton yarn?

MR. MONDER: No. 30's.

THE COMMISSIONER: Twisted cotton?

MR. MONDER: Yes.

THE COMMISSIONER: That will be exhibit 888.

EXHIBIT No. 888: Comparative statement of prices, Canada and the United States as to cotton warp yarn No. 30's twisted from 1930 to 1938.

BY MR. McRUER: Q. Now, let us see; have we not as many copies of this as we had of the last one ? A. I think that the Professor has one.

Q. What is the number, Mr. Rene.

ASSISTANT SECRETARY RENE: 822.

MR.McRUER: The next exhibit, which is a companion one to this, my lord, is a statement of mill spreads.

THE COMMISSIONER: That is also comparative, I suppose ?

MR. Mc RUER: Yes, my lord, on the same yarn.

THE COMMISSIONER: 823.

EXHIBIT No. 823: Comparative statement of mill spreads on 30's Twisted Warp Yarns between Canada and the United States from 1929 to 1936.

BY MR.McRUER: Q. Now, Mr. Hooper, in respect to these articles that are dealt with as samples in your statements in what manner did you proceed to determine what class of articles you would deal with ? A. First of all I went to the Dominion Textile Company and spoke to Mr. Dodd about it.

Q. Mr. Dodd the sales manager ? A. Yes, the sales manager, and we selected, or he selected with me certain types of yarn, fabrics, comparable to those manufactured in the United States, and then I obtained the information about the American fabrics and yarns that he had selected.

Q. So that there was no selection in any sense for anything that would tell a particular story or anything like that? A. No, they were just taken --

BY MR. MONAHAN: Q. Now, let us see; have we so many copies of this as we had of the last one ?

A. I think that the reporter has one.

Q. What is the number, Mr. Hoop.

REPORTER'S EXHIBIT BY NUMBER: 888.

MR. MONAHAN: The next exhibit, which is a comparative to this, my lord, is a statement of mill expenses.

THE COMMISSIONER: That is also comparative, I

MR. MONAHAN: Yes, my lord, on the same year.

THE COMMISSIONER: 889.

EXHIBIT NO. 889: Comparative statement of mill expenses on 80's twist yarn Yarns between Canada and the United States from 1926 to 1929.

BY MR. MONAHAN: Q. Now, Mr. Hooper, in respect to these articles that are dealt with as samples in your statements in what manner did you proceed to determine what class of articles you would deal with ? A. First of all I went to the Dominion Textile Company and spoke to Mr. Dodd about it.

Q. Mr. Dodd the sales manager ? A. Yes, the sales manager, and we selected, or he selected with me certain types of yarn, fabrics, comparable to those manufactured in the United States, and then I obtained the information about the American fabrics and yarns that we had selected.

Q. Do that somewhat include (illegible) for everything that would tell a particular story or anything like that? A. No, they were just

Q. You got from Mr. Dodd what you could match up, so to speak in the United States so you could make a fair comparison ? A. Yes.

Q. You had not made the comparison when you selected the articles ? A. No, that was my starting point.

Q. You tried to get as representative articles, I take it, as you could ? A. Yes.

Q. You might just tell me whether the number 10's that we dealt with in the last exhibits are yarns that are very popular in use ? A. Yes, they are.

Q. What about these 30's, Twisted Warp Yarns ? A. They are also popular, they are selected as the most popular line, one of the most popular lines made by the Dominion Textile Company.

Q. Well now, I don't propose to go through this, my lord, in the same detail as I did the last one.

THE COMMISSIONER: No, it is very plain. Probably if you would just call attention to its general characteristics it will be sufficient.

MR. McRUER: Yes. I think we can look at 822, probably and get substantially the information we desire from it. Starting at the 6th of January, 1930, the Canadian selling price of this yarn per pound -- Oh, we have not got the American selling price tabulated on this Exhibit, have we ?

THE COMMISSIONER: On 822, you say ?

MR. McRUER: January, 1930, the Canadian selling price ? A. Here is January, 1930, down

Q. You got from Mr. Bond what you call a match up, so to speak in the United States so you could make a fair comparison? A. Yes.

Q. You had not made the comparison when you selected the articles? A. No, that was my starting point.

Q. You tried to get as representative articles, I take it, as you could? A. Yes.

Q. You might just tell me whether the number 10's that we dealt with in the last exhibits are yarns that are very popular in use? A. Yes, they are.

Q. What about these 30's, twisted yarn Yarns? A. They are also popular, they are selected as the most popular line, one of the most popular lines made by the Dominion Textile Company.

Q. Well now, I don't [illegible] my load, in the same detail as I did the first one.

THE COMMISSIONER: No, it is very plain. Probably if you would just call attention to its general characteristics it will be sufficient.

MR. [illegible]: Yes. I think we can look at [illegible] probably and get substantially the information we desire from it. Starting at the 6th of January, 1930, [illegible] ok, we have not got the American selling price tabulated on this Exhibit, have we?

THE COMMISSIONER: [illegible]

MR. [illegible]: [illegible] selling price?

A. Here is January, 1930, dom

here.

Q. Yes, the Canadian selling price then is 47.63.

THE COMMISSIONER: The United States selling price is here.

MR. McRUER: On 822, my lord ?

THE COMMISSIONER: 822, the first item, January 6th, 1930.

MR. McRUER: Oh, yes. A. Just a minute, Mr. McRuer, that is 823.

Q. Oh, yes, I am looking at the wrong one. All right, we have it on 822.

THE COMMISSIONER: $38.00.

MR. McRUER: $38.00 and the Canadian 47.50.

THE COMMISSIONER: No, 47.63.

THE WITNESS: 47.63.

MR. McRUER: 47.63, that is right, yes, and the value for duty 47.50 ? A. The value including duty.

Q. The value including duty and excise; now, I want to get down to this year 1933. In April the American selling price was $20.00 and the Canadian $36.00. Now, if we look at 822 and deal with the mill spreads --

MR. KELLOCK: 823.

MR. McRUER: 823, I beg your pardon. We come to the year 1933 and the mill spread on the 26th of April in Canada was $25.60 and in the United States $11.26. In July in Canada 27.74 and in the United States 20.75. In August in Canada 29.12 and in the

Yes, the Canadian selling price then is 47.65.

THE COMMISSIONER: The United States selling price is 50.

MR. MORRIS: On 882, my lord?

THE COMMISSIONER: 882. The first item, June 4th, 1980.

MR. MORRIS: Oh, yes. Just a minute, Mr. Commissioner, that is 882.

Oh, yes, I am looking at the wrong one. All right, we have it on 882.

THE COMMISSIONER: $56.00.

MR. MORRIS: $56.00 and the Canadian 47.50.

THE COMMISSIONER: No, 47.65.

MR. MORRIS: 47.65, that is right, Jim, and the value for duty 47.50? A. The value including duty.

The value including duty and excise; now, I want to get down to this year 1980. In April the American selling price was $80.00 and the Canadian $54.00. Now, if we look at 882 and deal with the mill average --

MR. MORRIS: Sorry.

MR. [illegible]: 882, I beg your pardon. We come to the first two and the mill average on the 26th of April 1980 Canada was $55.80 and in the United States [illegible]. In July in Canada 27.74 and in the United States 44.75. In August in Canada 29.12 and in the

United States 29.05. So that again there appears to have been a rise in mill spread in Canada from March 31st, 1933 from $23.78 to $29.12. There was a rise in mill spread in the States from the 26th April from $11.26 to $29.05, but there was a drastic increase in wages and the shorter hours in the States, and we had the reverse in Canada. Would the process tax be included in the mill spread there too ? I suppose it would ? A. Oh, yes.

Q. In the States it was about $4.50 the process tax came to then ? A. Yes, about that.

Q. Now, I want to see how the mill spread was maintained after the duties of September, 1930 came into effect in Canada ? In June, 1930, the mill spread was 25.34 and in October 24.52 . In June, 1931, 24.42 and in August 20.96.

THE COMMISSIONER: Just a moment, please; you are talking of 1930 ?

MR. McRUER: I am now, on 1931, my lord.

THE COMMISSIONER: Yes, 1931.

MR. McRUER: September 25.55; now, to take over the period from October, 1930 which is the nearest date after the duties came into effect the mill spread was $24.52 and by August the 16th, 1933 it had been increased to $29.12 with no apparent equivalent increase --

MR. GEOFFRION: You skipped a drop.

MR. McRUER: Pardon.

MR. GEOFFRION: There is a drop on the way there.

MR. McRUER: Yes, but it does not do much good to drop if you don't stay there. The contention is that you

United States 20.05. So that again there appears to have been a rise in mill spread in Canada from March 31st, 1953 from $25.78 to $29.12. There was a rise in mill spread in the States from the 25th April from $21.26 to $25.05, but there was a dramatic increase in wages and the shorter hours in the States, and we had the reverse in Canada. Would the process tax be in-

would ? A. Oh, yes.

Q. In the years it was about 5% the process tax came to them ? A. Yes, about that.

Q. Now, I want to see how the mill spread was maintained after the duties of September, 1950 came into effect in Canada ? In June, 1950, the mill spread was $24.34 and in October $24.52. In June, 1951, $24.42 and in August 20.96.

THE COMMISSIONER: Just a moment, please; you are talking of 1950 ?

MR. [illegible]: I am now, on 1951, my lord.

THE COMMISSIONER: Yes, [illegible].

MR. [illegible]: [illegible], so that over the period from October, 1950 which is the nearest date after the duties came into effect the mill spread was $24.52 and by August the 14th, 1953 it has been increased to $29.12 or it is approximately [illegible] --

MR. [illegible]: You skipped a drop.

MR. [illegible]: Pardon.

MR. [illegible]: There is a drop on the way there.

MR. [illegible]: Yes, but it does not [illegible] if you don't map there. The situation is that

undertook to the Government you would not increase prices; I am showing you did increase prices over that period and decreased wages. That was the mill spread increase. The understanding, as I take it, with the government was that you were not going to take advantage of the tariff. We will just take them in detail and see if that is not true. On the 1st of August, 1931 my friend wanted to point out a drop. The mill spread was 20.96 on August 1st but it had increased by $5.00 by the 21st of September and became 25.55 which was higher than the mill's spread in October, 1930. Now, if there is any other item my friends feel I have overlooked that should be drawn to the attention of the Commission in respect to that I will be glad to do it now. The mill spread in April, 1936 was 25.47 in Canada as against 16.95 in the United States. Now, Mr. Hooper, what is next ? A. I did not make any comparative tables on the mill spread on 30's singles.

Q. Pardon? A. I did not make a comparative statement on the mill spread on 30's singles.

Q. Well, I suppose if we want those it is merely a mathematical calculation in respect to these other yarns. A. This is a different --

Q. This is a different type of yarn ? A. Yes, and there is a different increase in the duty.

Q. I see; well, the next, my lord, is a comparative statement of the prices of No. 30's singles ? A. Warp yarns.

Q. Warp yarns in Canada and the United States.

THE COMMISSIONER: It is cotton again ?

MR. McRUER: Yes, my lord.

undertook to the Government you would not increase prices. I am showing you the difference prices over the period and decreased wages. That was the mill spread increase. The understanding, as I take it, with the government was that you were not going to take advantage of the tariff. We will just take them in detail and see if that is not true. On the 1st of August, 1921 my friend wanted to point out a drop. The mill spread was 30.99 on August 1st but it had increased by $5.00 by the 21st of September and became 35.99 which was higher than the mill spread in January, 1920. Now, if there is any other item my friends feel I have overlooked that should be drawn to the attention of the Commission in respect to that I will be glad to do it now. The mill spread in April, 1920 was 25.47 in Canada as against 16.99 in the United States. Now, Mr. Hooper, what is next? A. I did not make any comparative tables on the mill spread on 30's singles.

Q. Pardon? A. I did not make a comparative statement on the mill spread on 30's singles.

Q. Well, I suppose if we want those it is merely a mathematical calculation in respect to those other yarns. A. This is a different --

Q. This is a different type of yarn? -- Yes, and there is a different increase in the duty.

Q. I see; well, the next, my item, is a comparative price of the same of the 30's singles and other yarns.

A. Yes, in Canada the 30's Galway sizes.

THE COMMISSIONER: 824.

EXHIBIT No. 824: Comparative statement of prices of cotton warp yarn No. 30's singles between Canada and the United States from 1930 to 1936.

Mr. McRUER: Now, there is only one item on this statement I wish to point out at the moment, my lord, and that is the amount of the increase in the tariff on September 17th, 1930. The ad valorem rate had been 22 1/2 per cent on this particular type of yarn and four cents a pound was added.

THE COMMISSIONER: But the 22 1/2 per cent remained.

MR. McRUER: Remained and 4 cents a pound specific was added. There was 68.37 per cent increase.

THE COMMISSIONER: What is that ?

MR.McRUER: 68.37 per cent increase.

THE COMMISSIONER: Constituted by that 4 cents a pound?

MR.McRUER: Yes, my lord; on the lighter yarns it was 115 on the statement we had ? A. On the heavier yarns, the 10's.

Q. On the heavier yarns, the 10's, it was 115 , and this yarn was at a higher rate ad valorem than the 10's had been at. What were the 10's ? A. The 10's had been at 20.

Q. Yes, this is 22 1/2.

Page 11815 follows

EXHIBIT No. 334: Comparative statement of prices of cotton warp yarn No. 60's single between Canada and the United States from 1930 to 1940.

Mr. McGUIGAN: Now, there is only one item on this statement I wish to point out at the moment, my lord, and that is the amount of the increase in the tariff on September 17th, 1930. The ad valorem rate had been 22 1/2 per cent on this particular type of yarn and [illegible] cent and [illegible].

THE COMMISSIONER: But the 22 1/2 per cent remains.

Mr. [illegible]: [illegible] was added. There was 66.67 per cent increase.

THE COMMISSIONER: What is that?

MR. McGUIGAN: 66.67 per cent increase.

THE COMMISSIONER: Constituted by that 4 cents a pound?

MR. [illegible]: Yes, my lord. [illegible] was 115 on the statement we had [illegible]. On the heavier yarns, the 10's.

Q. On the heavier yarns, the 10's, it was 115, and this yarn was at a higher rate ad valorem than the 10's had been at. What were the 10's? A. The 10's had been at 80.

Q. Yes, this is 22 1/2.

Mr. LAMIS follows

Then in addition to that, of course, the excise tax came on in 1931 and 1932, making an additional 3 per cent ad valorem.

Now, in 1930 the duty payable on 100 pounds in January 6, $8.33; January 31, $8.10; June 4, $7.20. In October, $9.85. June, 1931, $9.06. In August $8.95 plus $31 cents excise. In 1932, $8.12 plus 79 cents excise. August $8.64 plus 88 cents excise. Then it seems to go up thereafter according to the United States selling price rising until the duty payable, the high point seemed to have been reached on August 16, 1933, when it was $13.20 plus $1.62 excise, which would be $14.82 on the 100 pounds. Then on August, 1936, the new rate applied?

A. January.

Q. April 20th rather, 1936, the new rate was applying, and the duty was $8.10 plus $1.16 excise -- $9.26 as against $7.20 in June 1930.

Now the next Exhibit is Cotton Hosiery Yarn, comparative statement of the same type, Cotton Hosiery Yarn No.30's single.

EXHIBIT 825: Comparative statement Cotton Hosiery Yarn No.30's single.

Q. Now, the rate on this yarn was apparently 22½ per cent from the United States up until September 20th -- there seems to have been no change at that date? A. No.

Q. No specific duty put on and until June 2, 1931, the same rates prevailed when one per cent excise tax came on and no other changes until April 7, 1932, when the excise tax was increased 3 per cent, and no changes took place until January, 1936,

Then in addition to that, of course, the [illegible] on July and Aug., making an additional 3 per cent ad valorem.

Now, in 1920 the duty payable on 100 pounds in January 6, $6.66; January 21, $6.10; June 4, $7.20. In October, $6.85. [illegible], 1921, $5.06. In August $[illegible] [illegible] In 1922, $8.12 plus 70 cents excise. August $5.64 plus 88 cents excise. Then it seems to go in thereafter according to the United States selling price rising until the duty payable, the high point seemed to have been reached on August 16, 1922, when it was $18.20 plus $1.82 excise, which would be $14.82 on the 100 pounds. Then on August, 1926, the new rate applied?

A. Yes.

Q. April 20th rather, 1926, the new rate was applying, and the duty was $5.10 plus $1.16 excise -- $6.26 as against $7.20 in June 1920.

[illegible] comparative statement of the same type, Cotton [illegible] Yarn Mr. O'a simple.

Exhibit 17 (A). Comparative statement Cotton Hosiery Yarn Mr. O'a simple.

Q. Now, the rate on this yarn was apparently 22½ per cent from the United States up until December 10th -- there seems to have been no change at that date? A. No.

Q. No specific duty put on and until [illegible] 1921, the same rates prevailed then one per cent excise [illegible] same on and no other changes until April 7, 1922, when the excise tax was increased 5 per cent, and [illegible] rates took place until January, 19[illegible]

when the intermediate tariff was applied and 15% is applicable now on cotton hosiery yarns,- that is correct? A. Yes.

7 Q. Well, we will have to look at this now and see how the price in Canada measured up with the price laid down here. January 30th, it was called $44.71 duty-paid value, Canadian price $45.50. Sometimes we have the Canadian price as much as $5.00 more than the value including duty and excise.

MR. KELLOCK: $5.00 more?

MR. McRUER: $5.00 more.

THE COMMISSIONER: Sometimes it is considerably below it.

MR. McRUER: In June 15th, 1933, the Canadian price was $3.55 below. Nearly $4.00 June 26th. It was $6.40 in July. August $17.00. Again, that is the time when prices derricked in the United States. So that evidently the Canadian manufacturer then might have been selling in the Unites States market. They might have done a little dumping.

THE WITNESS: Some of them were selling fabrics in there.

Q. At the present time the selling price in Canada is 1.74, apparently - at least the last item on here, below the duty and excise paid value. Of course, all these are subject to the processing tax again in the United States when it was in effect?

A. Yes.

when the intermediate tariff was applied and 15% is applicable now on cotton hosiery yarns - that is correct? Yes.

Q. Well, we will have to look at this now and see how the price in Canada measured up with the price in down here. January 20th, it was called $44.71 - duty value, Canadian price $47.07. Overall we have the Canadian price as much as $3.00 more than the value including duty and excise.

MR. KELLOCK: $3.00 more?

MR. [illegible] $4.00 more.

THE COMMISSIONER: Sometimes it is considerably below it.

MR. [illegible] in June 1954, we [illegible] was $3.55 below. Nearly $4.00 June 28th. It was $3.40 in July. August $17.00. Again, that is the time when prices dropped in the United States. So that evidently the Canadian manufacturer then might have been selling in the United States market. They might have done a little dumping.

THE WITNESS: Some of them were selling forces in [illegible].

Q. At the present time the selling price in Canada is 1.74, apparently - at least the last item on here, below the duty and excise paid value. Of course, all items are subject to the processing tax again in the selling price when it was in effect.

A. Yes.

MR. McRUER: Then we have a companion statement with this showing the mill spreads on this particular type of yarn.

EXHIBIT 826: Statement Mill Spreads - 30's Single Hosiery Yarns, Canadian and American.

Q. Now, take October, 1930, the mill spread in Canada was $23.02. On the 20th April, 1935, is the last one we have on here, $19.97, and in the United States --- A. Oh, that is wrong. You see, 1933 at the top and then 1934 and 1935 and 1936.

Q. That is 1936? A. Yes.

Q. 1934 appears on here twice? A. Yes.

THE COMMISSIONER: That second 1934 should be 1935 and 1935 should be 1936? A. Yes.

MR. McRUER: Take in the United States at the time they had those increases for wages again. In June 1933 the mill spread was $15.98. July it was $19.75 In August it is $29.05. In 1934, January, $25.02. Then there is a recession, which is apparent to in the price of the yarn per pound but the recession in mill spread in the United States seems to have been greater between the 8th of January 1934 and the 2nd of February, 1934, than the recession in price. The price went down about 90 cents, but the mill spread dropped about $2.50. I suppose there would be fluctuations of market.

Now, in this instance the mill spread increased in April, May, in the Canadian mills, 1933, to apparently

Q. Exhibit Nine is a graphical statement with this showing the mill spreads on this particular type of yarn.

EXHIBIT 888: Statement mill spreads - Style Single Ordinary Yarn, Canadian and American.

Q. Now, take October, 1930, the mill spread in Canada was 23.05. On the 26th April, 1929, is the last one we have on here, 19.27, and in the United States --- A. Oh, that is wrong. You see, 1933 at the top and then 1934 and 1935 and 1936.

Q. That is 1935? A. Yes.

1934 appears on here twice? A. Yes.

THE COMMISSIONER: That second 1934 should be 1935 and 1936 should be 1934? A. Yes.

MR. BOURNE: Take in the United States at the time they had those increases for wages again. In June 1933 the mill spread was 19.38. July it was 20.75. It dropped to 19.24. In 1934, Sorry, 1935. Then there is a recession, which is apparent to in the prices of the yarn per pound but the recession in mill spread in the United States seems to have been greater between the 6th of January 1934 and the 1st of February, 1934, than the recession in prices. The prices went down about 30 cents, but the mill spread dropped about 19.24. A. Original Canadian Statement showing of manner.

Now, in this Industrial-Mill spread Statement in Article, Part, in the Canadian mills, 1935, Statement

the high point in January, 1934, of $23.14.

THE COMMISSIONER: Just a minute, you are on what exhibit?

MR. McRUER: I am on Exhibit 826, my lord.

THE COMMISSIONER: Where did you say the high point is?

MR. McRUER: 16th of August, 1933, $24.12 in Canadian mills. So that apparently the mill spread in the Canadian mills rose to its highest point when the mill spread in the American mill rose to its highest point. Rather lead us to believe that the Canadian price went up with the rise in the American price due to the wages paid in the American mills.

THE COMMISSIONER: In sympathy.

MR. McRUER: Yes. The mills spread increased in the Canadian mills out of sympathy with their brethern in the United States, not out of the increase in the wages in the Canadian mill.

MR. KELLOCK: The raw material went up too.

MR. McRUER: No, raw material had nothing to do with mill spread.

Well now, another feature in connection with this statement is that no specific duty was provide on this particular yarn in 1930, and on the statement where there was a specific duty provided the mill spread increased in Canada and in this one where there is no specific duty the mill spread has decreased.

the high point in January, 1934, of 123.14.

[illegible] that a mistake, [illegible]

exhibit?

MR. MORDEN: I am on Exhibit 838, my lord.

THE COMMISSIONER: Where did you say the high point is?

MR. MORDEN: 16th of August, 1935, 144.18 in Canadian mills. So that apparently the mill spread in the Canadian mills rose to its highest point when the mill spread in the American mill rose to its high point. Rather lead us to believe that the Canadian price went up with the rise in the American price due to the wages paid in the American mills.

THE COMMISSIONER: In sympathy.

MR. MORDEN: Yes. The mills spread increased in the Canadian mills out of sympathy with their brethern in the United States, not out of the increase in the wages in the Canadian mill.

MR. KELLOCK: The raw material went up too.

MR. MORDEN: Yes, the material has nothing to do with mill spread.

MR. ROY, MINISTER FINANCE IN [illegible]: With this statement is that no specific duty was pr on this particular year in 1930, and on the statemen where there was a specific duty provided the mill spread increased in Canada and in this one where t is no specific duty the mill [illegible].

I rather surmise again out of pressure on the foreign price. And when the duty was decreased again in January, 1936 the mill spread increased from what it had been in November, 1936? A. Well, that is due ~~tome~~ to keeping at the same level of prices - cotton had dropped about 58 points and that accounts for the difference. The price remained the same. They had not changed their price list from the 15th of November.

Q. Well, that is rather interesting. The price of raw cotton had dropped between November 15th and the 20th of April by 58 points but the selling price was $34.00? A. That is right.

Q. The raw cotton on the 15th of November, 1935, was $12.35, and on the 20th of April, 1936, was $11.77, but the selling price in Canada was $34.00 in both cases, but we have a different situation on the 16th of September, raw cotton was $10.65, the selling price was $32.50. 15th of November, 1935, raw cotton was $12.35, the selling price was $34.00. So that the selling price was increased $1.50 when the raw cotton went up but when the raw cotton went down the selling price seems to have stayed the same.

We are going to start on cotton fabrics.

Q. This is a Bulletin, is it? A. The Departmental letter. Departmental letter of the Department of National Revenue, dated7th of April,

I rather surmise again out of pressure on the foreign market. And when the duty was decreased again in January, 1936 the mill spread increased from what it had been in November, 1935? A. Well, that is due to keeping at the same level of prices - cotton had dropped about 58 points and that accounts for the difference. The price remained the same. They had not changed their price list from the item of November.

Q. Well, that is rather inter-esting. The sales of raw cotton had dropped between November 15th and the 20th of April by 58 points but the selling price was $24.00? A. That is right.

Q. The raw cotton on the 15th of November, 1935, was $18.20, and on the 20th of April, 1936, was $11.77, but the selling price in Canada was $24.00 in both cases, but we have a different situation on the 15th of September, raw cotton was $10.85, the selling price was $22.50. 15th of November, 1935, raw cotton was $18.20, the selling price was $24.00. So that the selling price was increased $1.50 when the raw cotton went up but when the raw cotton went down the selling price seems to have stayed the same.

Q. This is a Bulletin, is it? A. The Departmental letter. Departmental letter of the

1932, the value of cotton grey goods and print cloths bleached or dyed when imported from the United States.

Q. Is that value for duty? A. Yes, value for duty.

EXHIBIT 827: Departmental letter of the Department of National Revenue dated 7th April, 1932, re value of cotton grey goods and print cloths bleached or dyed when imported from the United States.

THE COMMISSIONER: Is it agreeable to sit tomorrow morning? If we sit tomorrow until one o'clock will that be agreeable?

MR. McRUER: Very well, my lord.

--

-- The Commissione adjourned at 12.30 to resume 2.15 P.M.

1882, the value of cotton grey goods and print cloths bleached or dyed when imported from the United States.

Q. Is that value for duty? A. Yes, value for duty.

Exhibit E: Departmental letter of the Department of National Revenue dated 7th April, 1882, re value of cotton grey goods and print cloths bleached or dyed when imported from the United States.

THE COURT ADJOURNED: Is it agreeable to sit tomorrow morning? If we sit tomorrow until one o'clock will that be agreeable?

MR. MORGAN: Very well, my lord.

--

-- The Commissions adjourned at 12.30 to resume 2.15 p.m.

The Commission resumed at 2.15 p.m.

BY MR. McRUER: Q. Now, Mr. Hooper, we have just filed Exhibit 827, which is a departmental letter directed to the Collector of National Revenue, Customs Division, from the Commissioner of Customs, dated April 7, 1932. Are there any observations that you wish to make in connection with this on which you will base your subsequent evidence.

THE COMMISSIONER: The letter has not been read, has it?

MR. McRUER: No, my lord. We might read the first two pages of it. The appendix consists mostly of tables. The letter reads as follows:

> "From a review of the cotton fabric industry in the United States and from information before the Department, cotton fabrics imported from the United States may be appraised under Section 36 subsection 2 of the Customs Act in accordance with the attached schedules."

If we just go back to section 36 subsection 2, have you got that, Mr. Hooper? A. I have not got it here.

MR. McRUER: Tell us the substance of it.

THE WITNESS: It provided that the value for duty of new or unused goods shall in no case be less than the cost of production plus a reasonable advance for selling cost and profit.

BY MR. McRUER: Q. Then this letter is a direction that goods imported from the United States may be appraised under Section 36 (2) of the

The Commission resumed at 2.15 p.m.

BY MR. MORDEN: Q. Now, Mr. Hooper, we have just filed Exhibit 827, which is a departmental letter directed to the Collector of National Revenue, customs Division, from the Commissioner of customs, dated April 7, 1952. Are there any observations that you wish to make in connection with this on which you will base your subsequent evidence.

THE COMMISSIONER: The letter has not been read, has it?

MR. MORDER: No, my lord. We might read the first two pages of it. The appendix consists mostly of tables. The letter reads as follows:

"From a review of the cotton fabric industry in the United States and from information before the Department, cotton fabrics imported from the united States may be appraised under Section 36 subsection 2 of the Customs Act in accordance with the attached schedules."

If we just go back to section 36 subsection 2. have you got that, Mr. Hooper? A. I have not got it here.

MR. MORDER: Tell us the substance of it.

THE WITNESS: It provided that the value for duty of new or unused goods shall in no case be less than the cost of production plus a reasonable advance for selling cost and profit.

BY MR. MORDER: Q. Then this letter is a direction that goods imported from the United States may be appraised under Section 36 (2) of the

Customs Act in accordance with attached schedules.

A. Yes.

Q. The letter continues:

"You are instructed to notify all known importers that on customs invoices covering shipments of cotton fabrics entered at customs on and after April 15th, 1932, the following information must be shown:-

1st - The count (warp and weft per inch) of the goods in the grey, whether sold in the grey or bleached or dyed,

2nd - The width of the cloth in all cases,

3rd - The exact type of finish, namely, whether bleached, vat dyed, vat print or commercial dyed.

The prices on the attached schedule are in cents per yard f.o.b. dye works when bleached, dyed or printed, and f.o.b. mill when sold in the grey. These prices are predicated on a New York spot price of raw cotton of 7 cents per pound.

For each 1 cent per pound variation from the above raw cotton value, apply a correction of 1.2 cents per pound of the total weight of the goods appraised hereunder.

The published price of New York Middling Spot Cotton may be referred to in this connection.

You will note that the attached schedule covers specifically relatively few constructions and widths and you may appraise proportionately other constructions not covered hereunder.

You will further note that the weight as given is

Customs Act in accordance with attached schedule.

A. Yes.

Q. The letter continues:

"You are instructed to notify all known importers that on customs involves covering shipment of cotton fabrics entered at customs on and after April 15th, 1932, the following information must be shown:-

1st - The count (warp and weft per inch) of the goods in the grey, whether sold in the grey or bleached or dyed.

2nd - The width of the cloth in all cases.

3rd - The exact type of finish, namely, whether bleached, yet dyed, yet print or commercial dyed.

The prices on the attached schedule are in cents per yard f.o.b. dye works when bleached, dyed or printed, and f.o.b. mill when sold in the grey. These prices are predicated on a New York spot price of raw cotton of 7 cents per pound.

For each 1 cent per pound variation from the above raw cotton value, apply a correction of 1.2 cents per pound of the total weight of the goods centralized shipment.

The published price of New York Middling Spot Cotton may be referred to in this connection.

You will note that the attached schedule covers specifically relatively low counts and wide and you may appreciate proportionately other constructions not covered hereunder.

You will further note that the weight as given is

the number of yards per pound.

This ruling is effective from even date, but classification as to count, finish, etc., will necessarily be subject to appraisal at the Port until such time as sufficient description is shown on customs invoices as provided for above.

You will note that when grey goods are bleached or dyed, the cloth shrinks and for each width and count in the grey, where required, you are given the corresponding width and count after bleaching. The count after bleaching does not always exactly vary as shown, but the sum of the two counts will generally be the same as the sum of the counts as shown. For example, the grey print cloth - 38½" 44x40 in the grey changes when bleached to 36" wide 47 x 37 or a total count (47 plus 37) of 84. This count may also be 46 plus 38 (84) or 45 plus 39 (84).

Notify immediately all importers of the provisions of this ruling."

The table is attached.

THE WITNESS: Cotton fabrics were appraised when imported from the United States in accordance with the provisions of that letter until the 13th oof September 1932 when this letter was published and the pamphlet sent to the collectors of National Revenue

MR. McRUER: This will be the next Exhibit, my lord, it is a departmental letter dated September 13, 1932 from the Commissioner of Customs to the Collector of National Revenue, Customs Division. It reads in part as follows:

the number of yards per pound.

This ruling is effective from even date, but classification as to count, finish, etc., will necessarily be subject to seasonal giving and will such also be satisfactory [illegible] [illegible] on [illegible]

You will note that when grey goods are bleached or dyed, the cloth shrinks and for each width and count in the grey, where required, you are given the corresponding width and count after bleaching. The count after bleaching does not always exactly vary as shown, but the sum of the two counts will generally be the same as the sum of the counts as shown. For example, the grey print cloth - 36½" 44x40 in the grey shrunk bleached to 36" wide 47 x 37 or a total count (47 plus 37) of 84. This count may also be 48 plus 38 (84) or 45 plus 39 (84).

Notify immediately all importers of the provisions of this ruling."

The table is attached.

Mr. MITCHES: Cotton fabrics we appreciated when imported from the United States in accordance with the provisions of that letter until the 15th oct [illegible] the pamphlet sent to the collectors of national revenue.

Mr. MORDER: This will be the next exhibit, my lord. It is a departmental letter dated September 15, 1922 from the commissioner of customs to the collector of national revenue, customs division. It reads in part as follows:

Departmental letter of the 7th April, 1932, in respect to cotton fabrics from the United States, authorized you to appraise importations of these fabrics in accordance with the provisions of Section 36(2) of the Customs Act.

The schedule of values furnished you at that time covered specifically relatively few constructions. The Department has continued its investigation, and the information obtained is contained in the enclosed pamphlet, showing values based on 7 cent spot raw cotton, with a table showing corrective factors in relation to fluctuations in the market value of raw cotton."

And attached is a rather exhaustive table which, I take it Mr. Hooper, was for the guidance of the collectors in making their appraisals. A. Yes, sir.

Q. So that what apparently is intended to be attained in this table is the cost produced in the United States plus a reasonable profit -- A. Yes.

Q. And selling expenses as appraised by the Department here? A. Yes, sir.

Q. This remained in effect how long?

A. Until September 5, 1935, when it was cancelled by Appraisers' Bulletin No.4096.

Q. And that Appraisers' Bulletin No.4096 is attached to this Exhibit?

EXHIBIT 828: Departmental letter from the Commissioner of Customs to Collector of National Revenue, Customs Division.

United States, authorized you to appraise importations of these fabrics in accordance with the provisions of Section 16(2) of the Customs Act.

The schedule of values furnished you at that time covered specifically relatively low qualities. The Department has continued its investigation, and the information obtained is contained in the enclosed pamphlet, showing values based on 7 cent spot raw cotton, with a table showing corrective factors in relation to fluctuations in the market value of raw cotton."

And attached is a rather exhaustive table which, I take it Mr. Hooper, was for the guidance of the collectors in making their appraisals. A. Yes, sir.

Q. So that what apparently is intended to be attained in this table is the cost produced in the United States plus a reasonable profit -- A. Yes.

Q. And selling expenses as appraised by the Department here? A. Yes, sir.

Q. This remained in effect how long?

A. Until September 5, 1938, when it was superseded by Appraisers' Bulletin No.4096.

Q. And that Appraisers' bulletin No.4096 is attached to this Exhibit?

MR. HOOPER: Documentary letter from the Commissioner of Customs to Collector of Customs, Philadelphia, dated April 1, 1938.

MR. McRUER: The next Exhibit, my lord, is a comparative statement of selling prices in the United States with duties leviable --

THE COMMISSIONER: You mean United States leviable?

MR. McRUER: Duites and excise leviable upon importations into Canada, and the selling price in Canada of similar goods. The article that is dealt with is a 1000-yard piece of grey goods, sheeting 40 48 x 48, 2.85 yards per pound, and a sample is attached.

THE COMMISSIONER: That will be Exhibit 829.

EXHIBIT 829: Comparative statement of duties and excise leviable upon importations into Canada, and selling price in Canada, Sample of goods attached.

BY MR. McRUER: Q. Have you the table of mill spreads on this fabric, Mr. Hooper? A. Yes.

MR. McRUER: The next Exhibit, my lord, is a comparative statement of the mill spreads between Canada and the United States on the fabric dealt with in Exhibit 829.

THE COMMISSIONER: That will be Exhibit 830.

EXHIBIT 830: Comparative statement of mill spreads, Canada and United States, on fabric dealt with in Exhibit 829.

BY MR. McRUER: Q. In connection with this fabric you have dealt, Mr. Hooper, along the same lines as you deal with the yarns in the statements filed this morning? A. Yes, sir.

Q. The rate of duty applicable on this product prior to 1930 was apparently 22½ per cent?

A. Yes.

MR. MOUNT: The next exhibit, my lord, is a comparative statement of selling prices in the United States with duties leviable --

THE COMMISSIONER: Yes, when United States leviable?

MR. MOUNT: Duties and excise leviable upon importations into Canada, and the selling price in Canada of similar goods. The article that is dealt with is a 1000-yard piece of grey goods, sheeting 40 48 x 48. 2.85 yards per pound, and a sample is attached.

THE COMMISSIONER: That will be Exhibit 829.

EXHIBIT 829: Comparative statement of selling prices, duties and excise leviable upon importations into Canada, and selling prices in Canada, sample of goods attached.

BY MR. MOUNT: Q. Have you the table of mill spreads on this family, Mr. Hooper? A. Yes.

MR. MOUNT: The next Exhibit, my lord, is a comparative statement of the mill spreads between Canada and the United States on the fabric dealt with in Exhibit 829.

THE COMMISSIONER: That will be Exhibit 830.

EXHIBIT 830: Comparative statement of mill spreads, Canada and United States on fabric dealt with in Exhibit 829.

BY MR. MOUNT: Q. In connection with this fabric you have dealt, Mr. Hooper, along the same lines as you deal with the yarns in the statements filed this morning? A. Yes, sir.

Q. The rate of duty applicable on this product at the time the proceedings left Canada?

A. Yes.

Q. The first change took place in September 1930, when it became 25 per cent and 4 cents per pound. The increase was 193 per cent, I see you have noted here. Just let us see how that works out in dollars and cents. We can get two dates that are exactly comparable. On August 18 the price of raw cotton was 11 cents per pound. The United States selling price was $77.50, the duty payable was $17.44 on the piece at that date. In October the selling price in the United States was exactly the same, $77.50. The duty payable on importation into Canada was $33.40.

THE COMMISSIONER: Where do you find that?

MR. McRUER: Under October 1930. Your Lordship will find the first item in the second division on the page ; $19.38 and $14.03, which is $33.44

THE COMMISSIONER: You are adding the two amounts

MR. McRUER: Yes. I am reducing the 193 per cent increase to dollars and cents.

THE COMMISSIONER: The column "Excise Tax". That means the cost of laying it down here?

MR. McRUER: Yes, my lord, with the exception of transportation charges.

BY THE COMMISSIONER: Q. Do I understand that the increase of four cents a pound would make an increase of 193 per cent? A. No, my lord, that figure is not right. It is 193 per cent of the former duty, but not 193 per cent.

Q. The duty itself was increased 193 per cent, is that it ? A. No, the duty after September 19 was 193 per cent of the former duty.

MR. McRUER: That is what I took you to mean.

1890, when it became 25 per cent and 4 cents per pound. The increase was 100 per cent, I see you have noted here. Just let us see how that works out in dollars and cents. We can get two dates that are exactly comparable. On August 18 the price of raw cotton was 11 cents per pound. The United States selling price was $77.50, the duty payable was $17.44 on the piece at that date. In October the selling price in the United States was exactly the same, $77.50. The duty payable on importation into Canada was $34.40.

THE COMMISSIONER: Where do you find that?

MR. MCRUER: That value - 1902. You basically will find the first item in the second division on the page; $19.38 and $14.06, which is $33.44.

THE COMMISSIONER: Is any ruling on the amount?

MR. MCRUER: Yes. I am reducing the 100 per cent increase to dollars and cents.

THE COMMISSIONER: The column "Whole tax". That means the coat of laying it down here?

MR. MCRUER: Yes, my lord, with the exception of transportation charges.

BY THE COMMISSIONER: Q. Do I understand that the increase of four cents a pound would mean an increase of 100 per cent? A. No, my lord, that figure is not right. It is 160 per cent of the former duty, but not 100 per cent.

Q. The duty itself was increased 160 per cent, is that it? A. No, the duty either increased by was 160 per cent of the former duty.

MR. MCRUER: That is what I meant, 160 per cent.

BY THE COMMISSIONER: Q. It is 193 per cent now of what it was before?

MR. McRUER: Yes.

THE WITNESS: That should be turned around, my lord.

BY THE COMMISSIONER: Q. What should be stated there? A. I am figuring it out now, my lord. It should be 91 per cent. The increase is 91 per cent.

Q. That is instead of 193 per cent? A. Yes, my lord.

MR. McRUER: Well, it came close to being double anyway. On top of that, when we get to May 1932, there is a 3 per cent excise.

THE WITNESS: Yes.

BY THE COMMISSIONER: Q. What does the excise apply to? A. On the duty paid value.

Q. That is the highest value? A. The duty paid value is the value plus the duty, the ad valorem and specific duties, and the excise applies on that.

BY MR. McRUER: Q. So the excise tax of 3 per cent is really more than 3 per cent on the invoice value.

THE COMMISSIONER: That is what I say. It is a duty on the value plus the duty paid. That is, you get the excise tax by taxing the value which you get by adding customs duties to the value of the article.

THE WITNESS: Yes, my lord.

BY MR. McRUER: Q. Now I want to make a comparison of the duties payable on this fabric.

BY THE COMMISSIONER: Q. It is the not sent now or what it was before?

MR. McHUGH: Yes.

THE WITNESS: That should be turned around, my Lord.

BY THE COMMISSIONER: Q. What should be stated there? A. I am figuring it out now, my Lord. It should be 31 per cent. [illegible] per cent.

Q. That is instead of 132 per cent? A. Yes, my Lord.

[illegible] Well, I was right in taking double survey. On top of that, when we get to May 1932, there is a 2 per cent excise.

THE WITNESS: Yes.

BY THE COMMISSIONER: Q. What does the excise apply to? A. On the duty paid value.

Q. That is the highest value? A. The duty paid value is the value plus the duty, the ad valorem and specific value, and the excise [illegible] on that.

BY MR. McHUGH: Q. So the excise tax of 2 per cent is really more than 2 per cent on the invoice value.

THE COMMISSIONER: That is what I say. It is a duty on the value plus the duty paid. That is, you get the excise tax by taxing the value which you get by adding customs duties to the value of the article.

THE WITNESS: Yes, my Lord.

BY MR. McHUGH: Q. Now I want to make a comparison of the duties payable on this fabric.

That is, prior to 1930 and a similar date after the excise became leviable. I think I have two dates that are fair t compare. On March 10, 1930, this article would cost in the United States $90. That is correct, is it not? A. Yes.

Q. The duty leviable would have been $20.25. That is correct, is it not? A. Yes.

Q. Now if we come to April 6, 1935, it would have cost $90, but the value for duty is $74.80, because of the processing tax, I suppose. A. Yes, sir.

Q. The duties payable are $18.70 and $14.03, a total of $32.73 and $3.25, or $36 in round figures. A. That is on $74.80.

Q. If we take July 5, 1933, we will have another date when the calculation was made when the processing tax was on. A. The processing tax had not come into effect then.

Q. On that date the selling price was $90. The duties payable were $24.16 and $14.03; that makes $38.19, and $4.02, which makes $42 odd, as against $20.25 on March 10, 1930. Now since July 21, 1934, the selling price in Canada has sometimes been lower than the duty paid value, and sometimes higher. It seems to vary quite a bit.

Looking at Exhibit 830 again there you deal with the mill spreads, but before I go on with the mill spreads, my lord, I want to deal with an important matter in respect to Exhibit 829.

THE COMMISSIONER: That is the one we have just

That is, prior to 1930 and a similar date after the excise became leviable. I think I have two dates that are fair to compare. On March 10, 1930, this article would cost in the United States $40. That is correct, is it not? A. Yes.

Q. The duty leviable would have been $20.55. That is correct, is it not? A. Yes.

Q. Now if we come to April 6, 1932, it would have cost $40, but the value for duty is $74.80, because of the processing tax, I suppose.

A. Yes, sir.

Q. The duties payable are $18.70 and $14.05, a total of $32.75 and $2.25, or $36 in round figures. A. That is on $74.80.

Q. If we take July 5, 1933, we will have another date when the calculation was made when the processing tax was on. A. The processing tax had not come into effect then.

Q. On that date the selling price was $30. The duties payable were $24.15 and $14.05; that makes $38.10, and $4.05, which makes $42 odd, as against $20.25 on March 10, 1930. Now since July 21, 1934, the selling price in Canada has sometimes been lower than the duty paid value, and sometimes higher. It seems to vary quite a bit.

Looking at Exhibit 830 again there you deal with the mill spreads, but before I go on with the mill spreads, my lord, I want to deal with an important matter in respect to Exhibit 829.

THE COMMISSIONER: That is the one we have just

been looking at?

MR. McRUER: Yes, my lord. The first bulletin in regard to appraisers unde section 36 (2) was issued on April 7, 1932. Now what effect did that have on the ad valorem duties, Mr. Hooper?

THE WITNESS: The value for duty, that is the value on which the ad valorem duty was computed, was raised above the home market selling price.

BY MR. McRUER: Q. I would like to get two figures that are comparable after and before it went into effect. How long did that bulletin remain in effect? A. Until September 5, 1932. There is $55 on September 11, 1931 and $55 on May 5, 1933.

Q. $55 was the selling price in the United States on September 11, 1931, and on May 5, 1933.

MR. KELLOCK: What Exhibit is that?

MR. McRUER: It is in Exhibit 829. It is just to get the effect of the appraisers' bulletin that was sent out.

BY MR. McRUER: Q. On September 11, 1931, the duty payable on this article selling at $55 in the United States would be $13.75 and $14.03 and 85 cents excise.

MR. BALLANTYNE: Excise is not comparable, is it ?

MR. McRUER: No, we will just take the ad valorem and specific duties. The ad valorem was $13.75 and the specific $14.03, making $27.78. On May 5, 1933, the ad valorem is $19.18 on an article selling at the same price in the United States. The specific duty, of course, remains the

Mr. McGUIGAN: Yes, my lord. The first bulletin in regard to appraisers made section 26 (2) was issued on April 7, 1926. Now what effect did that have on the ad valorem duties, Mr. Hooper?

Mr. WILSON: The value for duty, that is the value on which the ad valorem duty was computed, was raised above the home market selling price.

BY MR. GORDON: Q. I would like to get two figures that are comparable after and before it went into effect. How long did that bulletin remain in effect?

A. Until December 7, 1926.

There is $55 on September 11, 1921 and $55 on May 5, 1922.

Q. $55 was the selling price in the United States on September 11, 1921, and on May 5, 1922.

Mr. KILLOCK: What exhibit is that?

Mr. GORDON: It is in Exhibit 223. It is just to get the effect of the appraisers' bulletin that was sent out.

BY MR. GORDON: Q. On September 11, 1921, the duty payable on this article-mallets of the in the United States would be $11.75 and $14.05 and 35 cents exclise.

Mr. McGUIGAN: Mallet is not a commodity, is it?

MR. MORDUE: No, we will just take the ad valorem and specific duties. The ad valorem was $24.75 and the specific $14.05, making $39.80. On May 5, 1922, the ad valorem is $13.18 on an article selling at the same price in the United States. The specific duty, of course, remains the

same. Of course the excise is higher because there was an increase in the excise rate. So that the net effect of the appraisers' bulletin in this particular instance was to raise the ad valorem duty from $13.75 to $19.18. That would be correct, would it not ?

THE WITNESS: The only trouble in there is that there is United States currency at a premium. There is a variation in exchange there, and there was not in 1931. I think maybe a truer picture would be obtained by taking December 5, 1932, where you get the value of the duty. You have the Value for Duty column in both cases.

BY MR. McRUER: Q. I will tell you what w I think we will do. We want to be quite accurate. We will go back to April 7, 1932. ~~Xxxx~~ On April 6, 1932, on an article selling for $50 in the United States the ad valorem duty was $13.83. The appraisers' bulletin came out on April 7, and on an article selling in May for $46.25 the ad valorem duty was $16.17. So, although it is selling in the United States at $4 less it pays nearly $3 more duty.

THE COMMISSIONER: The bulletin, of course, did not change any law. What did it do?

MR. McRUER: It exercised the right to appraise the goods under section 36 subsection 2 and this set up the schedule of values that they were to be based on.

BY THE COMMISSIONER: Q. Was that appraising done by the Minister of by the Governor in Council? A. By the department.

Q. Do you mean by the minister or any official of the department? A. By the Commissioner of Customs.

BY MR. McRUER: Q. The Act calls for the Minister to do it. A. He shall be the sole judge.

BY THE COMMISSIONER: Q. But the work is done by the department? A. Not necessarily, my lord.

Q. What does the Act say? A. The minister should be the sole judge and that he only judges.

Q. What is the wording of the section ?

MR. McRUER: Section 26, subsection 2, which will be found in Exhibit 137, says:

> "Provided that the value for duty of new or unused goods shall in no case be less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for selling cost and profit, and the Minister shall be the sole judge of what shall constitute a reasonable advance in the circumstances, and his decision thereon shall be final."

THE COMMISSIONER: This refers to an advance. It must have been done in that form.

MR. McRUER: The effect of it was that the prices set forth in the bulletin were higher than this particular fabric was selling for in the United States.

MR. MILLOCK: Because it was selling below cost in the United States.

MR. McRUER: If the minister's bulletin was

Q. Do you mean by the minister or any official of the department? A. By the commissioner of customs.

BY MR. MORDEN: Q. The Act calls for the minister to do it. A. He shall be the sole judge.

BY THE COMMISSIONER: Q. But the work is done by the department? A. Not necessarily, my lord.

Q. What does the Act say? A. The minister should be the sole judge and that be only judge.

Q. What is the wording of the section? Mr. [illegible] section 24, subsection 4, which will be found in Exhibit 127, says:

"Provided that the value for duty of new or unused goods shall in no case be less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for selling cost and profit, and the Minister shall be the sole judge of what shall constitute a reasonable advance in the circumstances, and his decision thereon shall be final."

THE COMMISSIONER: This refers to an advance. It must have been done in that form.

MR. MORDEN: The effect of it was that the prices for goods in our bulletin were higher than this particular lamp, the selling price in the United States.

MR. MORDEN: Because it was selling below cost in the United States.

MR. MORDEN: If the minister's bulletin was

correctly compiled --

MR. KELLOCK: That is the basis.

THE WITNESS: The Minister will judge what shall constitute a reasonable advance on selling cost and profit.

MR. McRUER: It means that if it was selling at a lower cost than the Minister thought was a reasonable advance for selling cost and profit --

THE COMMISSIONER: When the home market value falls below what in the Minister's opinion was a reasonable cost of production plus a reasonable advance for selling cost and profit, he fixes what he thinks it ought to be.

THE WITNESS: Yes.

BY THE COMMISSIONER: Q. And whichever of the two is the higher is the one that prevails apparently. A. Yes, my lord, after investigation.

Q. Yes, of course.

BY MR. McRUER: Q. You said something, Mr. Hooper about the dumping duty.

THE COMMISSIONER: This in itself is an indirect dumping duty.

MR. McRUER: It is a sort of one.

THE WITNESS: It sets the value for duty, and if the invoice value is below that amount the dumping duty is practically equal to the difference.

BY MR. McRUER: Q. Then on top of that you get a dumping duty if the invoice value is below the appraised value as set out in this bulletin? A. Yes.

Q. I see. So we are not through compiling the

correctly understand —

MR. MACDONALD: That is the basis.

THE WITNESS: The Minister will judge what shall constitute a reasonable advance on selling cost and profit.

MR. MACDONALD: It means that if it was selling at a lower cost than the Minister thought was a reasonable advance for selling cost and profit --

THE COMMISSIONER: When the home market value falls below what in the Minister's opinion was a reasonable cost of production plus a reasonable advance for selling cost and profit, he fixes what he thinks it ought to be.

THE WITNESS: Yes.

BY THE COMMISSIONER: Q. And whichever of the two is the higher is the one that prevails apparently.

A. Yes, my lord, after investigation.

Q. Yes, of course.

BY MR. MACDONALD: Q. Yes. Now, Mr. Hooper about the dumping duty.

THE COMMISSIONER: This in itself is an interest question.

MR. MACDONALD: It is a sort of one.

BY WITNESS: A. Yes, the duty, and if the invoice value is below that amount the dumping duty is practically equal to the difference.

BY MR. MACDONALD: Q. Then on top of that you get a dumping duty if the invoice value is below the appraised value as set out in this bulletin?

A. Yes.

Q. I see. So we are not through complying the

duties yet. You have not dealt with that in this.
A. It is there. The value for duty is the value for dumping also. In other words, if the goods were invoiced at $46.25 dumping duty would be collected equal to the difference between the value for special duty and $46.25, at the rate of exchange.

Q. But the duties you have shown here are $16.76 and $14, and the excise is $2.93 -- they are all that would be paid? A. Yes, provided the selling price to the purchaser in Canada was $67.02.

Q. If the selling price was $46.25, which was the selling price in the United States, then there is sumping duty collected in addition?
A. Equal to the difference between $70.24 and ~~$xxxxx~~ $54.14.

(Page 11842 follows)

duties yet. You have not dealt with that in this.

A. It is there. The value for duty is the value for dumping also. In other words, if the goods were invoiced at $46.25 dumping duty would be collected equal to the difference between the value for special duty and $46.25, at the rate of exchange.

Q. But the duties you have shown here are $13.76 and $14, and the excise is $2.92 -- they are all that would be paid? A. Yes, provided the selling price to the purchaser in Canada was $67.02.

Q. If the selling price was $46.25, which was the selling price in the United States, then there is anti-dumping duty collected in addition?

A. Equal to the difference between $73.24 and $46.14.

Q. Now, I want to see again in the year 1933 if there was an increase in the mill spreads in Canada. That is Exhibit 830. On January 27th the mill spread was 15.95 in Canada on this article. In August it was 18.65.

MR. GORDON: That was after the N.R.A.

MR.McRUER: I am dealing with Canada. There may have been a sympathetic feeling still apparent toward that in the United States. It rose as high as 19.95 in August, 1934, apparently. Then in November it dropped, or by December it had dropped to 15.53. In February of this year it is back again to 18.20. Now, the next Exhibit, my lord, is the same sort of comparative statement dealing with a piece of grey goods, 1,000 yards print cloth 44 inches, 48 x 48, 6.40 yards per pound. What does that 48 x 48 mean? A. The number of ends and the number of picks per inch.

Q. Oh, yes, I see. There is a sample of the fabric attached.

THE COMMISSIONER: This is also cotton ?

MR. McRUER: Still cotton goods, yes, my lord. What Exhibit number is that ?

THE COMMISSIONER: 831.

EXHIBIT No. 831: Comparative statement between Canada and the United States as to prices on grey goods per 1,000 yards, Print Cloth,44", 48 x 48, 6.40 yards per pound.

BY MR. McRUER: Q. Now, have you got a mill spread statement on that one as well ? A. Not on that one.

Q. Well, we will probably have to have one compiled ? A. Yes, it won't take long.

Q. I just want to see the effect on this one of the increase in tariff and the change in the method of

Q. Now, I want to see again in the year 1953 if there was an increase in the mill spreads in Canada. This is Exhibit 880. On January 27th the mill spread was 16.95 in Canada on this article. In August it was 18.6

MR. GORDON: That was after the N.R.A.

MR. MCTAGGER: I am dealing with Canada. There may have been a sympathetic feeling still apparent toward that in the United States. It rose as high as 19.95 in August, 1954, apparently. Then in November it dropped, by December it had dropped to 16.55. In February of this year it is back again to 18.20. Now, the next exhibit, my lord, is the same sort of comparative statement dealing with a piece of grey goods, 1,000 yards print cloth 44 inches, 48 x 48, 5.40 yards per pound. What does that 48 x 48 mean? Q. The number of ends the number of picks per inch.

Q. Oh, yes, I see. There is a sample of the fabric attached.

THE COMMISSIONER: This is also cotton?

MR. [illegible]: Yes, my lord.

What Exhibit number is that?

THE COMMISSIONER: 881.

MR. [illegible]: Comparative statement Canada and the United States as to prices on grey goods per 1,000 yards, Print cloth, 44", 48 x 48, 5.40 Yards per pound.

DR. MORGAN: Q. Now, have you got a mill spread statement on that one as well? A. Not on that one.

Q. Well, we will probably have to have one compiled? A. Yes, it won't take long.

Q. I just want to see the effect of this also -- the increase in [illegible]

valuation. Now, looking at Exhibit 831 again. Take September the 10th, 1930. This piece of goods sold in the United States for $45.00. The duty leviable was $10.13. On December the 15th this piece of goods sold in the United States for $45.00. The duty leviable was $11.25 and $6.25 or a total of $17.50. How is this, Mr. Hooper -- Oh yes, I see. The ad valorem was increased by 2 1/2 per cent ? A. Yes.

Q. Well then, we come to the 7th of April, 1932. Now, I can get a comparative figure here, that is after the bulletin went out ? A. Yes.

Q. On the 15th of December as we have seen the duty leviable was $17.50. On the 4th of June, 1932, the selling price was $27.50 in the United States which was exactly half -- no, not exactly half either. I am out a little on my mathematics. That is not a good comparison. I thought I was going to get one exactly half. Well, we will get one very close, anyway. On February 9th, 1932 the selling price was $33.75 and the duty payable $16.07.

MR. BALLANTYNE: Should you not take the selling prices expressed in Canadian funds to have a more accurate comparison?

MR. McRUER: No, because you had additional protection by the difference in the rate of exchange.

MR. BALLANTYNE: Yes, it is compensated there.

MR. McRUER: On November 4th it was $32.50 and the duty leviable was $20.54. We can come at it another way. On the 4th of January, 1932, the selling

valuation. Now, looking at Exhibit 881 again. Take September the 10th, 1930. This piece of goods sold in the United States for $45.00. The duty leviable was $10.13. On December the 15th this piece of goods sold in the United States for $45.00. The duty leviable was $11.25 and $8.25 or a total of $17.50. Now is this Mr. Hooper -- Oh yes, I see. The ad valorem was increased to 2 1/2 per cent? -- Yes.

Q. Well then, we come to the 7th of April, 1932. Now, I can get a comparative figure here, that is after the bulletin went out? A. Yes.

Q. On the 15th of December as we have seen the duty leviable was $17.50. On the 4th of June, 1932, the selling price was $27.00 in the United States which was exactly half -- no, not exactly half either. I am out a little on my mathematics. That is not a good comparison. I thought I was going to get one exactly half. Well, we will get one very close, anyway. On January 8th, 1932 the selling price was $35.75 and the duty payable $16.07.

MR. MACLATCHIE: Should you not take the selling prices expressed in Canadian funds to have a more accurate comparison?

[illegible] Yes, I think you have made a correction by the difference in the r te of exchange.

MR. MACLATCHIE: Yes, it is commenced there.

MR. MONTS: On November 4th it was $26.50 and the duty levielle was $20.54. We can come at it [illegible]. [illegible] the selling

price in the United States was $32.50 and the value including duty and excise tax was $54.88. Now, if we subtract $32.50 from $54.88 it gives us $22.38, the protection that the manufacturer had on the 4th of January,1932. If we go to the 4th of November, 1932, the selling price in the United States was $32.50, the duty paid value was $80.04 which gives a protection of $47.44 as compared with $22.38 before the valuation took place and before the change in the rate of exchange. Now, are both these samples applicable to the next exhibit ? A. Yes. One is R-14 and the other is E-21.

Q. The next is a comparative statement in regard to 1,000 yards sheeting 36 inches wide 56 x 60, 4 yards per pound. This will be Exhibit No. --

THE COMMISSIONER: 832.

EXHIBIT No. 832: Comparative statement between Canada and the United States on 1,000 yards sheeting - 36" 56 x 60, 4.00 yards per pound.

THE COMMISSIONER: What did you say it was ?

MR. McRUER: 36 inch sheeting, my lord.

THE COMMISSIONER: Cotton ?

MR. McRUER: Yes, still cotton, and as a companion statement to that is a comparative statement of mill spreads between the Canadian mills and the United States mills in regard to the same fabric. That is Exhibit --

THE COMMISSIONER: 833.

EXHIBIT No. 833: Comparative statement between Canada and the United States as to mill spreads.

prices in the United States was $22.50 and the value including duty and freight was $24.88. Now, if we subtract $22.50 from $24.88 it gives us $2.38, the protection that the manufacturer had on the 4th of November, 1922. If we go to the 4th of November, 1922, the selling price in the United States was $22.50, the duty paid value was $20.04 which gives a protection of $47.44 as compared with $22.38 before the valuation took place and before the change in the rate of exchange. Now, are both these examples applicable to the next exhibit? A. Yes. One is R-14 and the other is R-15.

The next is a comparative statement in regard to 1,000 yards sheeting 36 inches wide 56 x 60, 4 yards per pound. This will be Exhibit No. --

THE COMMISSIONER: 882.

Exhibit No. 882: Comparative statement between Canada and the United States on 1,000 yards sheeting - 36" 56 x 60, 4.00 yards per pound.

Mr. [illegible]: What did you say it was?

Mr. [illegible]: The same question, my Lord.

THE COMMISSIONER: Cotton?

Mr. [illegible]: Yes, still cotton, and as a comparison statement to that is a comparative statement of mill spreads between the Canadian mills and the United States mills in regard to the same fabric. That is Exhibit [illegible]

Exhibit No. [illegible]: Comparative statement between [illegible] mills and the United States mills on [illegible] sheeting.

THE COMMISSIONER: What is it ?

MR.McRUER: Comparative statement of mill spreads, my lord, on the same fabric between the Canadian mills and the United States mills.

THE COMMISSIONER: That is on this last fabric ?

MR.McRUER: Yes, I don't think there is anything I want to deal with in that statement particularly at the moment. The mill spread appears to have been at the low point on the 21st of May, 1929 on that statement in the Canadian mills, does it not, 20.12 ? A. The low point was 1930.

Q. Oh, 1930, yes? A. 19.86, that is the low point.

Q. That is the 22nd of March, 1930 ? A. Yes.

Q. By the 24th of September, 1930 it was up to 23.84. It seems to have been at its high point at that time . At the last date shown it is 21.88. All right, what is next ? The next statement, my lord, is a state ment of mill spread, a comparative statement between Canadian and American mills of mill spread on a cotton fabric, grey sheeting 81 inches, 68 x 76, 1.40 yards per pound. Your lordship will notice there is quite a variation in the weight of some of these different fabrics which makes it important in respect to the specific duty.

THE COMMISSIONER: That is 823.

EXHIBIT No. 834: Comparative statement of mill spreads between Canada and the United States on cotton grey sheeting from 1929 to 1936.

THE COMMISSIONER: What is it ?

MR.MORLEY: Comparative statement of mill spread, my Lord, on the same basis between the Canadian mills and the United States mills.

THE COMMISSIONER: That is on this last fabric ?

MR.MORLEY: Yes. I don't think there is anything I want to deal with in that statement particularly at the moment. The mill spread appears to have been at the low point on the 31st of May, 1929 on that statement in the Canadian mills, does it not, 20.12 ? A. The low point was 1930.

Q. Oh, 1930, yes? A. 19.86, that is the low point.

Q. That is the 22nd of March, 1930 ? A. Yes.

Q. On the 26th of September, 1929 ? A. 25.84. It seems to have been at its high point at that time . At the last date shown it is 21.88. All right, what is next ? The next statement, my Lord, is a statement of mill spread, a comparative statement between Canadian and American mills of mill spread on a cotton fabric, grey sheeting 81 inches, 68 x 76, 1.40 yards per pound. Your Lordship will notice there is quite a variation in the weight of some of these different fabrics which makes it important in regard to the specific duty.

THE COMMISSIONER: That is 525.

EXHIBIT No. 524: Comparative statement of mill spreads between Canada and the United States on cotton grey sheeting from 1925 to date.

MR. McRUER: This shows the price in the United States, the duty paid value and it also shows the mill spread and the American price. Well now, Mr. Hooper, that completes the comparative statements you have to put in on grey goods since 1930, that is, grey cotton goods ? A. Yes.

Q. Now, the next exhibit is a statement showing United States low mill margins from 1913 to 1930 inclusive with a comparison with 1936 ? A. Yes.

BY THE COMMISSIONER: Q. Just what does that mean? You say "low mill margins" ? A. Yes, my lord, the lowest margin or spread. In the first case I had used margin and then I got talking about spreads and it got spread onto the report. This is the low mill margin received by the mills from 1913 to 1930 on three fabrics in the grey. In many cases the spread would be higher at other periods of the year, but these are the low margins, the lowest margins that Canadian mills had to compete with at any time, or in other words the lowest selling prices -- maybe not the lowest selling prices but it is really the lowest margin they had to compete against.

BY MR. McRUER: Q. As I understand it you have taken the different cloths, two print cloths and the sheeting ? A. Yes.

Q. And you show a comparative statement from 1913 to 1930 ?

THE COMMISSIONER: 1913 to 1930?

MR.McRUER: Yes, my lord, giving the low mill margins for each of these years in the United States, and then you have given the mill margins for 1936 ?

Mr. Monod: This shows the price in the United States, the duty paid value and it also shows the mill spread and the American price. Well now, Mr. Hooper, that completes the comparative statements you have to put in on grey goods since 1930, that is, grey cotton goods? A. Yes.

Q. Now, the next exhibit is a statement showing United States low mill margins from 1913 to 1930 inclusive with a comparison with 1936? A. Yes.

BY THE COMMISSIONER: Q. Just what does that mean? You say "low mill margins"? A. Yes, my lord, the lowest margin or spread. In the first case I had used margin and then I got talking about spreads and it may confuse with the report.

Mill margin received by the mills from 1913 to 1930 on grey fabrics in the grey. In many cases the spread would be higher at other periods of the year, but these are the low margins, the lowest margins that Canadian mills had to compete with at any time, or in other words the lowest selling prices -- maybe not the lowest selling prices but it is really the lowest margin they had to compete against.

BY MR. [illegible]: Q. As I understand it you have taken the different cloths, two point cloth and the shirting? A. Yes.

Q. And you show a comparative statement from 1913 to 1936?

THE COMMISSIONER: 1913 to 1936?

[illegible]: Yes, Mr. Monod, [illegible] mills for each of these years in the United States, when you have given the mill margins for 1936?

A. The mill margins for June, 1936.

Q. For June 1936; we have dealt with the mill margins in the interval in the United States in our previous exhibits which we filed ? A. Yes.

MR. KELLOCK: Are these the same cloths?

MR. McRUER: The same cloths; these are the same cloths as you had -- A. No, they are not the same cloths. There is 37 inch, 48 x 48, 4 yards per pound sheeting and 39 inch, 80 x 80, 4 yards per pound print cloth. You do not deal with the print cloth in the grey goods previously but you compare certain fabrics from 1929 to 1936, but it is not necessary to follow those through. I am not trying to follow those through at all.

Q. Of course, you cannot go back with these particular cloths in the United States to 1913 and be sure you were identifying the same cloths ? A. No, you would have a tough time getting back to 1930, but it is grey goods.

Q. Now, just let me see what this tells us. The mill margins in the United States -- we will take up to the change in duties in 1930. I mean up to September, 1930, I want the competitive condition between Canada and the United States up until that time. The lowest point had been in 1915 apparently when it was 9.07 on the first fabric. At the same time it was 11.68 on the next fabric and 5.68 on the next one. So that seems to have been pretty well the low point in the United States, does it not ? A. Yes.

Q. Then, 1913, it was low, and 1914, 1915, and

Q. You will recognize the cloth, Lord,

A. Yes, Lord. We have heard this [illegible] mentioned in the interval in the United States in our previous exhibits which we filed ? A. Yes.

MR. KELLOCK: Are these the same clothes?

MR. MONTEITH: The same clothes; these are the same clothes as you had -- A. No, they are not the same clothes. There is 27 inch, 48 x 48, 4 yards per pound sheeting and 32 inch, 80 x 80, 4 yards per pound print cloth. You do not deal with the print cloth in the grey goods previously but you compare certain fabrics from 1929 to 1936, but it is not necessary to follow those through. I am not trying to follow those through at all.

Q. Of course, you cannot go back with those particular cloths in the United States to 1915 and be sure you were identifying the same cloths ? A. No, you would have a tough time getting back to 1930, but it is [illegible].

Q. Now, just let me see what this tells us. The mill margins in the United States -- we will take us to the change in duties in 1930. I mean up to September, 1930, I want the comparative condition between Canada and the United States up until that time. The lowest point had been in 1915 apparently when it was 9.07 on the first fabric. At the same time it was 11.88 on the next fabric and 5.68 on the next one. So that seems to have been pretty well the low point in the [illegible], have it not ? A. Yes.

Q. Then, 1915, it was low, and 1914, 1913, and

1916. 1925, it was very high. Now, in June, 1936 it is 13.37 on the first fabric, and 13.85 on the next, and 10.35 on the next.

MR. KELLOCK: Might I ask just so I will understand it. The witness said these cloths were not the same. Now, there is a figure on here for June, 1936, and no figures between 1930 and June, 1936. If they are not the same why not have these figures on here.

MR.McRUER: We have the same class filed. We have those figures filed.

MR KELLOCK: The witness said they were not the same.

THE WITNESS: Not the same fabric, but one fabric is comparable to another fabric worked out on the per pound basis if they are in the same group. The instructions given to the ports are to appraise proportionately.

MR.McRUER: All we are doing with this, as I see it is comparing to see whether the condition of the mill margins in the United States now as compared with their low points over a period of years --

MR. KELLOCK: That is the point, mill margins on two different fabrics are quite a different thing.

MR.McRUER: Yes, but you can take it -- for instance, there are different fabrics shown on this page but the low point was in 1915 on them all. That evidently was the low mill margin point, and you can take any other fabrics and although they are different you will get a higher and lower mill margins at the same time on a general average. All I am showing

is 15.37 on the first fabric, and 15.85 on the next, and 10.35 on the next.

MR. KELLOCK: Might I ask just so I will understand it. The witness said these cloths were not the same. Now, there is a figure on here for June, 1936, and no figures between 1930 and June, 1936. If they are not the same why not have these figures on here.

MR. MONTGOMERY: We have the same cloths filed. We have [illegible] cloths.

MR. KELLOCK: The witness said they were not the same.

THE WITNESS: Not the same fabric, but one fabric is comparable to another fabric worked out on the per pound basis if they are in the same group. The instructions given to the ports are to appraise proportionately.

MR. MONTGOMERY: All we are doing with this, as I see it is comparing to see whether the condition of the mill margins in the United States now as compared with [illegible] —

MR. KELLOCK: That is the point, mill margins on two different fabrics are quite a different thing.

MR. MONTGOMERY: Yes, but you are taking it — for instance, there are different fabrics shown on this [illegible] in light [illegible] all. [illegible] evidently was the low mill margin point, and you can [illegible] any other fabrics and although they are different you will get a figure [illegible] the same time on a general average. All I am showing

is that at the present time you do not have to compete against as low mill margins as you had to compete when the duties were very much more modest than they are now, and we know in the United States that wages are a great deal higher and the hours are shorter than they were in 1914, 1915 and 1916 and along there when mill margins were low. It all becomes argumentative later on, but I am just pointing these things out so it does not make much difference -- A. I think those can be brought down for 1931.

Q. When the duties were increased in 1930, for instance, just take on these cloths when your duties were increased in Canada, you had previously competed against very much lower mill margins, for whatever it is worth, and you have had higher mill margins to compete against too.

MR. GORDON: The low mill margins between 1930 and 1936, they are not on this ?

THE WITNESS: There may have been lower mill margins.

MR.McRUER: Lower in the United States.

THE WITNESS: In 1932.

MR. McRUER: They are on these other statements.

MR. GORDON: That is for different fabrics. They do not fit into the trend.

MR.McRUER: Yes, they fit into the trend just the same. These are not necessarily the same cloths, Mr. Hooper ? A. No.

Q. What ever the value is this is not comparative between 1930 and 1936. It is comparative back to

Mr. MOLAY: If you do not have in your opinion as low mill margins as you had to compete against in 1929, very soon your imports then fall off. And we know in the textile trade there was a great deal of that and we have an abnormal item they were in 1914, 1915 and 1916 and along there when mill margins were low. It all becomes argumentative later on, but I am just pointing these things out so it does not take much difference -- Q. I think Mr. Mr. be brought down the item.

Q. When the duties were increased in 1930, for instance, just take on those cloths when your duties were increased in Canada, you had previously competed against very much lower mill margins, for whatever it is worth, and you have had higher mill margins to compete against too.

MR. GORDON: The low mill margins between 1930 and 1936, they are not on this ?

THE WITNESS: There may have been lower mill margins.

Mr. MOLAY: Lower in the United States.

THE WITNESS: In 1932.

Mr. MOLAY: They are on these other at towards.

MR. GORDON: That is for different fabrics. They do not fit into the trend.

Mr. MOLAY: Yes, they fit into the trend just the same. These are not necessarily the same clothing, Mr. Commissioner.

Q. What over the value is this is not comparative between 1930 and 1936. It is comparative back to

1913.

BY MR. KELLOCK: Q. Might I Ask the witness where he got his American selling prices for this exhibit ? A. From Scheurer & Company.

MR. McRUER: That is 835, is it ?

THE COMMISSIONER: 835.

EXHIBIT No. 835: Statement showing United States low mill Margins from 1913 to 1930 inclusive and 1936.

-- The Commission adjourned for a short recess.

-- On resuming.

BY MR.McRUER: Q. Now, Mr. Hooper, the next statement that you have is a comparative statement on sheeting 72 inches wide, 68 x 76, 1.40 yards per pound.

THE COMMISSIONER: Cotton again ?

MR. McRUER: Yes, my lord, 1.40 yards per pound.

THE COMMISSIONER: How many inches wide ?

MR.McRUER: 72, my lord. That is a rather heavy sheeting, is it not?

THE COMMISSIONER: This will be Exhibit 836.

EXHIBIT No. 836: Comparative statement between Canada and the United States as to prices on 72 inch sheeting.

THE WITNESS: Yes, this is a sheeting used for bed sheeting.

BY MR. McRUER: Q. This is used for bed sheeting? A. Yes.

Q. This is a bleached sheeting. What Exhibit number ?

ASSISTANT SECRETARY RENE : 836.

BY MR. McRUER: Q. This apparently starts in

1640.

BY MR. HERMSON: Q. Might I ask the witness where he got his American selling price (for this exhibit) ? A. From Hooper & Company.

5 MR. MORRIS: That is 885, is it ?

THE COMMISSIONER: 885.

EXHIBIT No. 885: Letter set showing United States low mill margins from 1938 to 1950 inclusive and 1955.

10 — The Commission adjourned for a short recess.

— Resumed.

BY MR.MORRIS: Q. Now, Mr. Hooper, the next statement that you have is a comparative statement showing 72 inches wide. 0a x 72, 1.40 yards per pound.

15 THE COMMISSIONER: Green cloth ?

MR. HOLDING: Yes, my lord, 1.40 yards per pound.

THE COMMISSIONER: How many inches wide ?

MR.MORRIS: 72, my lord. That is a rather heavy sheeting, is it not?

20 THE COMMISSIONER: This will be exhibit 886.

EXHIBIT No. 886: Comparative Statement between Canada and the United States as to prices on 72 inch sheeting.

25 THE WITNESS: Yes, this is a sheeting used for bed coverings.

BY MR. MORRIS: Q. This is used for bed sheeting?

— Yes.

. This is a bleached sheeting. What exhibit

30 number ?

EXHIBIT NUMBER: 887.

June, 1932. You do not go back further than that on this fabric? A. I could not get the prices further back than that.

Q. You could not get the prices earlier than that ? A. I could get the prices but not the discounts so they were not much good to me. I could get the list prices but not the discounts in the States.

Q. Now, the price of this 100 yard piece on June 15, 1932 --

MR.GORDON: 1,000 yard.

MR.McRUER: 1,000 yard piece, $206.55. That is after the regulation came in in respect to valuation that we have dealt with earlier to-day under 36(2). That was in April, 1932, was it not ? A. This was not appraised under that.

Q. This is not appraised under that, I see. So that it has no effect ? A. Well, in this particular case it had no effect.

Q. Now, what was the rate of duty applying on this particular type of sheeting prior to September, 1930, from the United States ? A. 25 -- was it 25 per cent ?

Q. Just verify that, if you will, please. A. 25 per cent.

Q. 25 per cent ; now, just to pay attention for a moment to the effect of the currency rate there, the additional protection that there was during that period when Canadian funds were at a discount. On June 15th, 1932, the spread between United States selling prices and the value including duty and excise, that is, the

June, 1932. You do not go back further than that on this fabric? A. I could not get the prices further back than that.

Q. You could not get the prices earlier than that? A. I could get the prices but not the discounts on [illegible] was [illegible] so. I could get the list prices but not the discounts in the states.

Q. Now, the price of this 100 yard piece on June 15, 1932 --

[illegible] 1,000 yard.

[illegible] 1,000 yard piece. [illegible] after the regulation came in in respect to valuation that we have dealt with earlier to-day [illegible]. That was in April, 1932, was it not? A. This was not appraised under that.

Q. This is not appraised under that, I see, so that it has no effect? A. Well, in this particular case it had no effect.

Q. Now, what was the rate of duty applying on this particular type of fabric prior to September, 1930, from the United States? A. 25 -- was it 25 per cent?

Q. Just verify that, if you will, please.

A. 25 per cent.

Q. 25 per cent; now, just to pay attention for a moment to the effect of the currency note there, the additional protection that there was during that period [illegible]

duty paid value here was the difference between $206.55 and $343.32? A. $336.77.

Q. No, it must have been $132.77, so that brings -- A. $136.77.

Q. Oh yes, $136.77, that brings the tax up to about 60 per cent at that time -- not the tax but the protection, rather.

BY THE COMMISSIONER: Q. Take that first item, June 15th, 1932; I notice the excise tax there is given as $10.00. Is that a minimum excise tax ? A. No, my lord.

Q. How do you make $10.00 on that at 3 per cent? A. That is $239.02,$65.73, and $28.57.

Q. Oh, you add those. I thought you took 3 per cent of the value for duty ? A. It comes to 333.32, my lord.

Q. Yes, when you put it that way .

BY MR.McRUER: Now, the price in the United States was $206.55 as against the selling price in Canada of $287.50. Then , by August, 1932 the price in the United States had risen to $229.50 and in Canada to $328.75. Now, on June the 28th, 1933, the price of raw cotton was 10.25 cents. On November 8th it was 9.90 which is a drop of .35 cents, but the selling price in Canada remained the same, I see? A. In 1933 ?

Q. That is in 1933, yes.

THE COMMISSIONER: You mean the Canadian selling price remained the same.

MR.McRUER: Yes, my lord.

Q. By gold value there was not different values $400.35 and $420.22? A. 1926.77.

Q. No, it must have been $142.77, or that brings

A. $136.77.

Q. Oh yes, $136.77, that brings the tax up to 60 per cent at that time -- not the tax but the protection, rather.

BY THE COMMISSIONER: Q. Take that first item, item 1219, 1944; I notice the excise tax there is given as $10.00. Is that a minimum excise tax ?

A. No, my lord.

Q. How do you make $10.00 an ounce at a fixed scale?

A. That is $329.02, $56.75, and 128.57.

Q. Oh, you add those. I thought you took 3 per cent of the value for duty ? A. It comes to 385.32, my lord.

Q. Yes, when you put it that way .

BY MR. HOUGH: Now, the price in the United States was $206.35 as against the selling price in Canada of 1047.50. Then , if memory, time has gone in the United States and always in 1933, it was up to $328.75. Now, on June the 20th, 1938, the price of the dollar was 16.35 cents. Or move for 4th it was 9.00 which is a drop of .35 cents, but the selling price in Canada remained the same, I see? A. In 1932 ?

Q. That is in 1932, yes.

THE COMMISSIONER: You mean the Canadian selling price remained the same.

A. ANSWER: Yes, my lord.

THE COMMISSIONER: The American selling price had gone up. Are you comparing June 28th with November 8th?

MR. McRUER: Yes, but in the United States during that period the N.R.A. had come into effect ? A. Well, it should be stated that the selling price went up in Canada on the 1st of August to $356.25 and it was reduced on the 6th of October to $343.75 ,and then a sale was made on the 6th of November at 33 1/2 cents, that is $335., so there was some fluctuation in the meantime.

Q. Yes, some fluctuation in the meantime. Now then, let us compare the condition to-day, the amount of protection to-day since the new tariff has come into effect. On January 2, the selling price -- well, we will get January 9th, the selling price in the United States was $319.20 and at the same time in Canada it was $337.50, but the protection afforded would be the difference between $ 319.20 and $428.87 which is $109. approximately,$109.67 although the difference in selling price in the United States and Canada was $8.30? A. $18.

Q. Pardon ? A. $18.30.

Q. $18.30, that is right. In May it is a little lower in the United States, $303, but then by July the selling price in the United States is higher than the selling price in Canada by $6.00, but the protection afforded the Canadian manufacturer is $114. on this date ? A. They had a boom in the United States.

BY THE COMMISSIONER: Q. They had what ?

A. A boom in the cotton industry.

gone up. Are you comparing June 25th with November 14th?

MR. MORLEY: Yes, but in the United States during that period the N.R.A. had come into effect? A. Well, it should be stated that the selling price went up in Canada on the 1st of August to $256.85 and it was reduced on the 6th of October to $242.75, and then a sale was made on the 6th of November at 32 1/2 cents, that is $255., so there was some fluctuation in the meantime.

Q. Yes, some fluctuation in the meantime. Now then, let us compare the condition to-day, the amount of protection to-day since the new tariff has come into effect. On January 2, the selling price -- well, we will get January 9th, the selling price in the United States was $319.80 and at the same time in Canada it was $327.50, but the protection afforded would be the difference between $ 319.80 and $420.57 which is $100. approximately, $100.57 across the difference in selling price in the United States and Canada was $18.50 and

Q. Is that? A. $18.50.

A. $18.50, that is right. In May it is a little lower in the United States, $305., but then by July the selling price in the United States is higher than the selling price in Canada by $6.00, but the protection afforded the Canadian manufacturer is $114. On this date? A. They had a boom in the United States.

BY THE COMMISSIONER: Q. They had what? A. A boom in the cotton industry

BY MR. McRUER: Q. During July of this year ?

A. Yes.

BY THE COMMISSIONER: Q. The price of raw cotton went up too, didn't it ? A. The price of raw cotton went up. They did not know exactly where it was going to stop and prices were withdrawn, and they would only sell by referring inquiries to the head offices of the companies, very unsettled at that time.

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Exa.

BY THE COMMISSIONER: Q. The price of raw cotton went up too, didn't it? A. The price of raw cotton went up. They did not know exactly where it was going to go and prices were uncertain, and they really only sell by referring inquiries to the head offices of the companies, very unsettled at that time.

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BY THE COMMISSIONER: Q. How is the price of raw cotton today? A. It has been straightened away. Things are going on normally again.

BY MR. McRUER: Did I attach a fabric to the Exhibig? A. No.

Q. Then I want to get the proper fabrics. These two fabrics will be attached to Exhibit 836. The next is a statement of mill spreads, Canadian and American mills. Is this on the same fabric, Mr. Hooper? A. Yes.

Q. Dealing with the fabric that has been dealt with in Exhibit 836? A. Yes.

THE COMMISSIONER: This will be Exhibit 837.

EXHIBIT 837: Statement of mill spreads, Canadian and American.

BY MR. McRUER: Q. You are able to give the mill spreads for Canadian mills back to 1929, but you said you could not get the information for the American mills? A. That is right.

Q. This statement, Exhibit 837, is worked out in cents or dollars ? A. In cents.

Q. Again we find in this statement, under American mill spreads, a very pronounced jump between June 13, 1933, and August 1, 1933. A. It is not quite as great as it would be in some other fabrics.

Q. Is there any explanation? A. Quality fabric. They get a premium on their product.

Q. There is a jump in mill spreads in the Canadian mills between April 26 and June 13, 1933, and again between August 1 and October 6, 1933,

BY THE COMMISSIONER: How is the price of pen cotton today? A. It has been strengthened very. Prices are going up generally again.

BY MR. MONTGOMERY: Did I attach a fabric to the exhibit? A. No.

Q. Then I want to get the proper fabrics. These two fabrics will be attached to exhibit 856. The next is a statement of mill spreads, Canadian and American mills. Is this on the same basis, Mr. Hooper? A. Yes.

Q. Dealing with the fabrics that has been dealt with in exhibit 856? A. Yes.

BY MR. MONTGOMERY: This will be Exhibit 857.

EXHIBIT 857: Statement of mill spreads, Canadian and American.

BY MR. MONTGOMERY: Q. You are able to give the mill spreads for Canadian mills back to 1929, but you said you could not get the information for the American mills? A. That is right.

Q. This statement, Exhibit 857, is worked out in cents or dollars? A. In cents.

Q. Again we find in this statement, under American mill spreads, a very pronounced jump between June 1, 1936, and August 1, 1936. A. It is not quite as great as it would be in some other fabrics.

Q. Is there any explanation? A. Quality fabric. They get a premium on their product.

Q. There is a jump in mill spreads in the Canadian mills between April 30 and June 1, 1936, and again between August 1 and October 6, 1936.

it still keeps going up. Between April 25 and October 6 there is a jump of practically $4.50. Then it recedes slightly again. On October 1, 1935, it was $33.56 as compared with $34.07 in the United States.

Now let me see how the selling prices compare as between Canadian and United States mills at that same time. Can you give me the selling price of this fabric in the United States? A. That is given on Exhibit 836.

Q. On October 1, 1935 it was $47.63 American, and $47.41, Canadian selling price.

THE COMMISSIONER: I will point out that in the case of the United States it is the 9th of October.

THE WITNESS: Yes. In one case I have used the American price list date, on Exhibit 836, and on Exhibit 837 I have used the Canadian pricelist date.

BY THE COMMISSIONER: Q. What do you mean by price list date? A. The date on which price lists were issued.

Q. They are not issued every day? A. Not in the case of finished goods. On grey goods there is a daily quotation, but not on finished goods.

BY MR. McRUER: Q. The next is a statement of mill spreads. These are Canadian mill spreads, are they, Mr. Hooper? A. Canadian.

Q. You have not got American? A. No.

Q. This is Canadian mill spreads on two fabrics, one of cotton grey goods and the other of cotton bleached goods. Is it the same fabric ? A. No, just two fabrics. One is a sample of grey

it still keeps going up. Between April 28 and October 8 there is a jump of practically $4.50. Then it recedes slightly again. On October 1, 1935, it was $23.86 as compared with $24.27 in the United States.

Now let me see how the selling prices compare as between Canadian and United States mills at that same time. Can you give me the selling price of this textile in the price stores? A. That is given on Exhibit 886.

Q. On October 1, 1934 it was $47.88 [illegible], and $47.44, Canadian selling price.

THE COMMISSIONER: I will point out that in the case of the United States it is the 9th of October.

THE WITNESS: Yes. In one case I have used the American price list date, on Exhibit 886, and on Exhibit 887 I have used the Canadian price list date.

BY THE COMMISSIONER: Q. What do you mean by price list date? A. The date on which price lists were issued.

Q. They are not issued every day? A. Not in the case of finished goods. On grey goods there is a daily quotation, but not on finished goods.

BY MR. MARTIN: Q. The next is a statement [illegible] mill spreads. These are Canadian mill spreads, are they, Mr. Hoover? A. [illegible].

Q. You have not got American? A. No.

Q. This is Canadian mill spreads on two fabrics, one of cotton grey goods and the other of cotton bleached goods. Is it the same fabric? A. No, just two fabrics. One is a sample of grey

goods. One is R14.

BY THE COMMISSIONER: Q. Have you the samples attached? A. You have the sample R14 on Exhibit 832, and this sample is H261 attached to this Exhibit.

THE COMMISSIONER: This will be Exhibit 838.

EXHIBIT 838: Statement of mill spreads, Canadian, with sample of goods H261 attached.

BY MR. McRUER: Q. There are two fabrics, one R14 and the other H261. I see that the price of raw cotton on March 11, 1929, was 21.45 cents a pound. The selling price was 49.52 cents. On May 2 the price of raw cotton had fallen to 19.65 cents and the selling price to 48.52 cents. The mill spread had apparently gone up between those two dates from 23.78 cents to 24.94 cents although the selling price had gone down. A. Although the selling price had ?

Q. The selling price had gone down but the mill spreads went up? A. The selling price remained the same between May 2 and October 11.

Q. And from March 11 to May 2 ? A. The selling price went down.

Q. The selling price went down but the mill spread went up. Then we come to October 11, when the price of raw cotton had declined further to 18.55 cents. The selling price remained the same and the mill spread went up still further.

Then compare again March 11, 1929, with October 6 1933, the price of raw cotton had dropped from 21.45 cents on March 11, 1929, to 9.50 cents on October 6, 1933

goods. The is R14.

BY Mr. COMMISSIONER: Q. Have you the samples attached? A. You have the sample R14 on exhibit 8A, and this sample is D101 attached to this exhibit.

Mr. COMMISSIONER: This will be Exhibit 22B.

EXHIBIT 22B: Statement of mill spreads, December, with sample of goods R101 attached.

BY Mr. McKEEN: Q. There are two fabrics, one R14 and the other R101. I see that the price of raw cotton on March 11, 1929, was 21.45 cents a pound. The selling price was 49.32 cents. On May 2 the price of raw cotton had fallen to 19.65 cents and the selling price to 43.32 cents. The mill spread had apparently gone up between these two dates from 21.75 cents to 24.34 cents although the selling price had gone down. A. Although the selling price had ?

Q. The selling price had gone down but the mill spreads went up? A. The selling price remained the same between May 2 and October 11.

Q. And from March 11 to May 2 ? A. The selling price went down.

A. The selling price went down but the mill spread went up. Then we come to October 11, when the price of raw cotton had declined further to 18.55 cents. The selling price remained the same and the mill spread went up still further.

Now compare March 11, 1929, with March 1, 1929, the price of raw cotton had dropped from 21.45 cents on March 11, 1929, to 3.50 cents on October 6,

and the selling price dropped from 49.52 cents to 37.00 cents, but the mill spread rose from 23.78 cents to 25.02 cents. That is R14.

Now we come to H261 and see what happens there. On March 11, 1929, the selling price was 57.75 cents and on October 11, 56.20 cents, a decline in the selling price, but again a rise in the mill spread.

Take October 10, 1930. The price of raw cotton was 10.30 cents as compared with 21.45 cents on March 11, 1929, and the selling price was 47.25 cents on October 10 as compared with 57.75 cents in March 1929, but the mill spread was 34.89 in October 1930 as compared with 32.01 cents in March 1929. On the other hand, the selling price goes up and the mill spread goes down, but that seems to be accompanied by a rise in the price of raw cotton.

The next is a comparative statement, my lord, in reference to vat prints. Still cotton fabrics, Mr. Hooper ?

THE COMMISSIONER: What is meant by that?

THE WITNESS: The dyes are fast to light, washing.

BY MR. McRUER: Q. It is dyed goods, printed goods? A. They are printed goods.

Q. It is not the grey cloth for printing? A. No. You have commercial dyes and vat dyes.

Q. I will put this in, my lord. It is a comparative statement of vat prints, dark colours. It comes under a different customs item from what we have been dealing with before.

THE COMMISSIONER: What is the item?

and the selling price dropped from 49.32 cents to 17.00 cents, but the mill spread rose from 2.78 cents to 25.02 cents. That is RM4.

Now we come to RM5 and see what happens there. On March 11, 1929, the selling price was 37.75 cents and on October 11, 36.20 cents, a decline in the selling price, but again a rise in the mill spread.

Take October 10, 1930. The price of raw cotton was 10.10 cents as compared with 21.45 cents on March 11, 1929, and the selling price was 47.25 cents on October 10 as compared with 37.75 cents in March 1929, but the mill spread was 34.89 in October 1930 as compared with 22.01 cents in March 1929. On the other hand, the selling price goes up and the mill spread goes down, but that seems to be accompanied by a rise in the price of raw cotton.

The next is a comparative statement, my lord, in reference to vat prints. Still cotton fabrics, Mr. Hooper.

THE COMMISSIONER: What is meant by that?

THE WITNESS: The dyes are fast to light, washing.

BY MR. MOHR: Q. It is dyed goods, printed goods? A. They are printed goods.

Q. It is not the grey cloth for printing? A. No. You have commercial dyes and vat dyes.

Q. I will put this in, my lord. It is a comparative statement of vat prints, Sarl colours. It comes under a different customs item from what we have been dealing with before.

THE COMMISSIONER: What is the item?

THE WITNESS: 523b.

THE COMMISSIONER: That will be Exhibit 839.

EXHIBIT 839: Vat Prints, dark colours, with sample attached.

BY MR. McRUER: Q. Referring to Exhibit 839, it starts July 30, 1930. The customs duty applying was 27½ per cent ad valorem, no specific duty, no excise tax. Then in September 1930 the duty applicable was 32½ per cent ad valorem and 4 cents a pound specific, no excise tax. Just let us see what change that made in this particular article. It would be an increase of 5 per cent ad valorem and 4 cents a pound specific.

THE COMMISSIONER: $21.

MR. McRUER: Yes. The selling price was $135 both before and after, and the duty payable in the one case was $36.20 and in the other case $43.88. There was no currency factor.

THE WITNESS: I should like to point out that a cash discount prior to September 17, 1930, was allowed for regular and specific duty purposes when it was shown deducted on customs invoices. You will notice that the value for duty in the first place is 2½ per cent less than $135.

BY MR. McRUER: Q. Oh yes, prior to September, 1930, a cash discount was allowed? A. Yes, deductible and allowed when shown deducted on invoice.

Q. So your value for duty on this article was $131.63 prior to September changes, and $135 afterwards? A. Yes.

Q. That made a little change. And the actual change in the duty paid was ? A. $17.68.

THE WITNESS: 829b.

THE COMMISSIONER: That will be Exhibit 829.

EXHIBIT 829: Sec. Letter, dated [illegible], with sample attached.

BY MR. MONDER: Q. Referring to Exhibit 829, it states July 20, 1950. The customs duty applicable was 27½ per cent ad valorem, or specific duty, or excise tax. Then in September 1950 the duty applicable was 32½ per cent ad valorem and 4 cents a pound specific, no excise tax. Just let us see what change that made in this particular article. It would be an increase of 5 per cent ad valorem and 4 cents a pound specific.

THE COMMISSIONER: 821.

MR. MONDER: Yes. The selling price was $125 both before and after, and the duty payable in the one case was $36.20 and in the other case $40.88. There was no currency factor.

THE WITNESS: I should like to point out that a cash discount prior to September 17, 1950, was allowed for resale and specific duty purposes when it was shown deducted on customs invoices. You will notice that the value for duty in the first place is 2½ per cent less than $125.

BY MR. MONDER: Q. Oh yes, prior to September, 1950, a cash discount was allowed? A. Yes, deductible and allowed when shown deducted on invoices.

Q. So your value for duty on this article was $121.88 prior to September changes, and $125 after-wards? A. Yes.

Q. That made a little change. And the actual change in the duty paid was? A. $17.88.

Q. More than that, was it not? It was $167.83 before the September change and $188.88 afterwards, a difference of $21.05. A. That is due to the 2½ per cent cash discount.

Q. And added to this was the excise tax again in June 1931, which was increased in April 1932. Did the Appraisers' Bulletin apply to this fabric? A. Yes.

Q. It came into effect in April.

A. April 7, 1932.

Q. Oh yes, we have it here. Let us see what happens there. Let us get a comparable price. It was $100 on January 8, 1932. There was a change in the currency valuation in the meantime, so it is very difficult to compare them. The currency rate dropped from 18.75 to 10.41.

THE COMMISSIONER: There is no currency change if you take the date December 14, 1933.

MR. McRUER: The selling price in the United States at that time was $130.

THE COMMISSIONER: And the value including duty and excise tax was $187.72.

MR. McRUER: The value on December 16, 1930, was $135, which is only $2.50 less.

THE COMMISSIONER: No, you are dealing with an item of $130, December 14.

MR. McRUER: Oh yes, $130.

THE COMMISSIONER: $5 more brought $188.88 in December 1930, and the $5 less brought $187.72 in December 1933.

MR. McRUER: The appraisal could not have affected this.

Q. More than that, was it not? It was $167.86 before the September change and $166.88 afterwards, a difference of $2.05.

A. That is due to the 2½ per cent cash discount.

Q. And added to this was the excise tax again in June 1951, which was increased in April 1952.

Is the accountant's calculation equal to this?

A. Yes.

Q. It came into effect in April.

A. April 7, 1952.

Q. Oh yes, we have it here. Let us see what happens there. Let us get a comparable price. It was $100 on January 8, 1952. There was a change in the currency valuation in the meantime, so it is very difficult to compare them. The currency rate changed from 18.75 to 19.41.

THE COMMISSIONER: There is no currency change if you take the date December 14, 1952.

MR. [illegible]: The selling price in the United States at that time was $120.

THE COMMISSIONER: And the value including duty and excise tax was $147.72.

MR. MOLDER: The value on December 14, 1950, was $125, which is only $4.50 less.

THE COMMISSIONER: No, you are dealing with an item of $120, December 14.

MR. MOLDER: Oh yes, $120.

THE COMMISSIONER: $8 more brought $128.88 in December 1950, and the $5 less brought $147.72 in December 1951.

Q. [illegible] the equivalent [illegible] allowed [illegible].

THE WITNESS: Why?

MR. McRUER: Because there was practically no change after April 7.

THE WITNESS: In the value including duty and excise tax, but you will see there is a difference in the United States selling price. It had risen from $80 to $142.50.

THE COMMISSIONER: I thought we were comparing $135 with $130. Go back to 1930.

THE WITNESS: I thought you were comparing 1932 after the values were put on.

BY THE COMMISSIONER: Q. Was the appraisal taken off by December 14, 1933? A. Yes. When the appraisal was on, on March 1, 1933, the selling price was $80, and the value including duty and excise tax $202.33.

BY MR. McRUER: Q. There was $122.33 payable on the $80 purchase price in the United States? A. That is right.

THE COMMISSIONER: What item are you looking at?

for MR. McRUER: March 1, 1933, my lord.

THE WITNESS: $80 worth of goods in the United States cost $202.33 with the duties and exchange.

THE COMMISSIONER: That seems to be the highest item.

MR. McRUER: Well, yes.

THE COMMISSIONER: The next month the American selling price was $87.50 and the value is $197.30.

THE WITNESS: That is right. That was the biggest spread. Of course the exchange was higher than it was at any other time in the schedule.

BY THE COMMISSIONER: Q. You say it was higher? A. Yes, $19.75.

THE WITNESS: Why?

MR. MORGAN: Because there was practically no change after April 7.

THE WITNESS: In the value including duty and excise tax, but you will see there is a difference in the United States selling price. It had risen from $80 to $142.50.

[illegible] I thought we were comparing Libbe with G.C. So been to 1930.

THE WITNESS: I thought you were comparing 1932 after the values were put on.

BY THE COMMISSIONER: Q. Was the experiment to [illegible] 1. 1932? A. Yes. When the experiment was on, on March 1, 1932, the selling price was $80, and the value including duty and excise tax $202.32.

BY MR. MORGAN: Q. There was $122.25 profits on the $80 purchase price in the United States?

A. That is right.

BY COMMISSIONER: What item are you looking at?

BY MR. MORGAN: Item 1, Libbe, on page [illegible].

THE WITNESS: $80 worth of goods in the United States cost $202.32 with the duties and exchange.

THE COMMISSIONER: That seems to be the biggest item.

MR. MORGAN: Well, yes.

[illegible] The next month the American selling price was $97.50 and the value is $197.30.

THE WITNESS: That is right. That was the biggest spread. Of course the exchange was higher when it was at any other time in the schedule.

BY THE COMMISSIONER: Q. You say it was higher?

A. Yes, $12.75.

Q. $19.75 on March 1, 1933? A. Yes, my lord.

BY MR. McRUER: Q. Now I want to see if we get this sympathetic reaction in Canada to the RRA. Take August 1933. The price in Canada was $165 and on March 1, 1933, it was $150. A. Cotton had gone up.

Q. By how much? A. Four cents.

Q. That would mean? A. About 1½ cents a yard, about $12.50.

Q. $12.50 would be accounted for in the price of cotton? A. A little bit more.

Q. On account of the waste? A. No, I took in the waste in trying to figure out the exchange, but the exchange was down. You would have to go back to the spreads.

Q. When you come down to 1936 there is a change then by a reduction in the ad valorem duty from 32½ per cent to 27½ per cent, which puts it back to where it was prior to the changes in September 1930, and there is a specific duty on that was not on then of 3½ cents per square yard.

(Page 11873 follows)

Q. $12.75 on March 1, 1937? A. Yes, my lord.

BY MR. MONDER: Q. Now I want to see if we get this symmetrical reaction in Canada to the NRA. Take August 1933. The price in Canada was $105 and on March 1, 1937, it was $[illegible]. [illegible]

Q. By how much? A. Four cents.

Q. That would mean? A. About 1½ cents a yard, roughly 1½.%.

Q. $12.50 would be accounted for in the price of cotton? A. A little bit more.

Q. On account of the waste? A. No, I took in the waste in trying to figure out the exchange, but the exchange was down. You would have to go back to the spreads.

Q. When you come down to 1935 there is a change that is a reduction in the ad valorem duty from 22½ per cent to 27½ per cent, which puts it back to where it was prior to the changes in September 1930, and there is a specific duty on that was not on then of 2½ cents per square yard.

(Page 11875 follows)

A. Per pound.

Q. Three and a half cents.

THE COMMISSIONER: Prior to when ?

MR.McRUER: 1930.

THE WITNESS: Prior to the 17th of September.

BY MR.McRUER: Q. But there was a reduction of half a cent a pound in the specific duty by the transfer from the General to the Intermediate tariff ?
A. Right.

Q. The selling price seems to have been the same after the application of the new tariffs in January 1936? A. Yes.

BY THE COMMISSIONER: Q. Take the last two items, or the last one of 1935 and the last one of 1936. You have the same American selling price, $ 130. You have a less currency exchange rate but you have $3.00 more duty? A. That is due, my lord, you will notice there is $6.38 reduction in the ad valorem duties on account of it being reduced from 32 1/2 per cent to 27 1/2 per cent, and there is $1.25 reduction in the specific duties. Of course, it follows there is a reduction in the excise tax, and that amounts to 26 cents.

Q. Yes, I know, but what I am pointing out is that the value including duty and excise tax is higher ?
A. It is lower in January, 1936, my lord.

Q. No, I am talking of July 14th, 1936, the last item. You have an item there, you see, of $130. which works out to $179.92 ? A. Yes.

Q. Whereas on October 11th, 1935 the same $130. only came to $176.50 although there was a higher rate

A. Three and a half cents.

THE COMMISSIONER: Prior to when ?

A. MONDER: 1930.

THE WITNESS: Prior to the 17th of September.

BY MR.MONDER: Q. But there was a reduction of half a cent a pound in the specific duty by the transfer from the General to the Intermediate tariff ?

A. Right.

Q. The selling price seems to have been the same after the application of the new tariffs in January 1930? A. Yes.

BY THE COMMISSIONER: Q. Take the last two items, or the last one of 1935 and the last one of 1936. You have the same American selling price, $ 130. You have a less currency exchange rate but you have $6.00 more duty? A. That is due, my lord, you will notice there is $6.38 reduction in the ad valorem duties on account of it being reduced from 32 1/2 per cent to 27 1/2 per cent, and there is $1.25 reduction in the specific duties. Of course, it follows there is a reduction in the excise tax, and that amounts to 25 cents.

Q. Yes, I know, but what I am pointing out is that the value including duty and excise tax is higher ?

A. It is lower in January, 1936, my lord.

Q. No, I am talking of July 14th, 1936, the last item. You have an item there, you see, of $130. which amounts to $177.80 ? A. Yes.

Q. Whereas on October 11th, 1935 the same $130. only came to $176.50 although there was a higher rate

rate of exchange ? A. My lord, that is due to the excise -- at least, the processing tax being in the $130.

Q. No? A. Yes.

Q. Because in your lineup here you have "United States processing tax not included"? A. Not included in the value for duty, but it is included in the United States selling price and it is shown in the second column over, $131.81, but it is excluded in the $121.78, and that is the value for duty.

Q. Oh, yes, while the selling price was $130. the value for duty was only $121.78 ? A. That is right, my lord.

BY MR. McRUER: Q. Now, there is a rather interesting thing in connection with this statement in respect to the specific duty since 1936 and the effect of the excise tax on the whole picture, and the excise tax amounts to well over half, amounts to about 60 per cent of the amount that the specific duty amounts to.

THE COMMISSIONER: The excise tax ?

MR. McRUER: For instance, the excise tax on January 2, 1936, is $4.88 and the specific duty $8.75.

THE COMMISSIONER: Yes.

MR. McRUER: The excise tax affords a very substantial protection. The next statement, Mr. Hooper, deals with what ? A. With the spread.

Q. The next statement is the mill spread on the fabric dealt with in Exhibit 837.

THE COMMISSIONER: 837 ?

MR. McRUER: Yes, my lord; now, there is a sample

rate of exchange ? A. My lord, that is due to the excise -- at least, the processing tax being in the price.

Q. Not? A. Yes.

Q. Because in your lineup here you have "United States processing tax not included"? A. Not included in the value for duty, but it is included in the United States selling price and it is shown in the second column over, $181.81, but it is excluded in the $121.78 and that is the value for duty.

Q. Oh, yes, while the selling price was $180. The value for duty was only $121.78 ? A. That is right, my lord.

BY MR. MONDER: Q. Now, there is a rather interesting thing in connection with this statement in respect to the specific duty since 1936 and the effect of the excise tax on the whole picture, and the excise tax amounts to well over half, amounts to about 60 per cent of the amount that the specific duty amounts to.

THE COMMISSIONER: The excise tax ?

MR. MONDER: For instance, the excise tax on January 2, 1936, is $4.80 and the specific duty $8.78.

THE COMMISSIONER: Yes.

MR. MONDER: The excise tax affords a very substantial protection. The next statement, Mr. Mooper, deals with what ? A. With the spread.

Q. The next statement is the will spread or the fabric dealt with in Exhibit 837.

THE COMMISSIONER: 837 ?

MR. MONDER:- Yes, my lord; now, there is a sample

here, should that be attached to 8-- A. You mean 839 ?

THE COMMISSIONER: 839.

MR. McRUER: Oh, I beg your pardon, 839.

THE COMMISSIONER: This is 840 .

EXHIBIT No. 840: Comparative statement of Canadian and American mill spreads on vat prints dark colours, from 1929 to 1935.

MR.McRUER: There is a sample to be attached to 839, my lord.

THE COMMISSIONER: Oh, I see; this is a comparative statement ? A. Yes.

MR.McRUER: Yes, my lord. We see the same result here again in 1933 that the mill spread in the United States jumped from 28.56 in June to 51.82 in August. What are those figures out in the last column, Mr. Hooper, the column with no caption on it ? A. They are my working figures. The girl has got them in there.

Q. Probably we had better have them struck out ? A. We better have them struck out.

THE COMMISSIONER: What is it you are striking out?

MR McRUER: On the second page there are a lot of figures in the last column. They are under no caption.

THE COMMISSIONER: You are just striking them out?

THE WITNESS: Yes.

BY MR.McRUER: Q. What should go out ? A. 8,6.15, all those figures down that side.

Q. All those figures on the side there ? A. Yes.

BY THE COMMISSIONER: Q. And on the next page too?

here, should that be attached to S--- A. You mean 889 ?

THE COMMISSIONER: 889.

MR. MORDEN: Oh, I beg your pardon, 889.

THE COMMISSIONER: This is 840 .

EXHIBIT K. 840: Comparative statement of Canadian and American mill spreads on wet prints dark colours, from 1925 to 1935.

MR.MORDEN: There is a sample to be attached to 889, my Lord.

THE COMMISSIONER: Oh, I see; this is a comparative statement ? A. Yes.

MR.MORDEN: Yes, my Lord. We see the same result here again in 1935 that the mill spread in the United States jumped from 28.36 in June to 31.22 in August. What are those figures out in the last column, Mr. Hooper, the column with no caption on it ? A. They are my working figures. The girl has got them in there.

Q. Probably we had better have them struck out ?

A. We better have them struck out.

THE COMMISSIONER: What is it you are striking out?

MR MORDEN: On the second page there are a lot of figures in the last column. They are under no caption.

THE COMMISSIONER: You are just striking them out?

THE WITNESS: Yes.

Q. [illegible] A. [illegible], all those figures down that side.

Q. All those figures on the side there ? A. Yes.

A. Yes, my lord.

BY MR. McRUER: Q. Well, let us see how it stands now. The mill spread in the American mills is shown for the last time as of the 19th of November, 1935, to be 38.56 and in Canada 46.76 but the duty amounts to how much, between the American prices and the Canadian price ?

MR. GORDON: 18 per cent.

MR. McRUER: No. A. You do not get the duties on there.

Q. Oh, we have no duties on here. Well, I can get them from the last Exhibit. We will get the duty at that time, the 19th of November, 1935. Well, the nearest thing I have got is October, 1935. What is the unit in this exhibit 840, the pound ? A. The pound, that is, cents per pound.

Q. But the unit in 839 is thousand yard pieces ? A. Thousand yard pieces.

Q. What I was driving at was the difference between the mill spread in Canada and the mill spread in the United States, and to see if we could reduce it to terms of the amount of protection that the mill had at the time to see whether the protection is excessive or inadequate, but you cannot do it with this because they are two different units, one is pounds and the other is yards? A. It is very easy to do. Which one do you want?

Q. Well, I want to take the last item I have got here. We have the difference between the mill spread in the United States and the mill spread in Canada ?

A. Yes, my lord.

BY MR. MONGER: Q. Well, let us see how it stands now. The mill spread in the American mills is shown for the last time as of the 19th of November, 1925, to be 38.36 and in Canada 46.76 but the duty amounts to how much, between the American prices and the Canadian price ?

MR. GORDON: 18 per cent.

MR. MONGER: No. A. You do not get the duties on there.

Q. Oh, we have no duties on here. Well, I can get them from the last Exhibit. We will get the duty at that time, the 19th of November, 1925. Well, the nearest thing I have got is October, 1925. What is the unit in this exhibit 8N0, the pound ? A. The pound, that is, cents per pound.

Q. But the unit in 8N9 is thousand yard pieces ?

A. Thousand yard pieces.

Q. What I was driving at was the difference between the mill spread in Canada and the mill spread in the United States, and to see if we could reduce it to terms of the amount of protection that the mill had at the time to see whether the protection is excessive or inadequate, but you cannot do it with this because they are two different units, one is pounds and the other is yards? A. It is very easy to do. Which one do you want?

Q. Well, I want to take the last item I have got here. We have the difference between the mill spread in the United States and the mill spread in Canada ?

A. Yes.

Q. On the 19th of October -- A. $8.20.

Q. Well, take the 28th of October, it brings us to a nearer date ? A. All right.

Q. It is $10. -- A. And 49 cents.

Q. And 49 cents, isn't it ? A. $10.39.

Q. $10.39. A. $26., is that the figure you want ? It is $26. for a thousand yards.

Q. $26. for a thousand yards, well, in October, 1935 the amount of protection was $36.50? A. $46.50.

Q. $46.50 ? A. And the difference in the mill spread was $26.

Q. $26. and the protection -- A. $46.50, that is $20.50.

Q. $20.50 more; that is taking an arbitrary date. One cannot base anything on one particular day. We might make a survey of them all. Now, what is next ? A. There is another one with that. We can file that tomorrow. That is the dark colours.

Q. It is not quite ready ? A. It is ready.

Q. Let us put it in now if it is comparable to the others ? A. It must be downstairs.

Q. Well, probably we could get an Exhibit number for that, my lord, for the next one.

THE COMMISSIONER: 841.

MR.McRUER: If you will just keep that blank because that will keep the two that are similar together.

SECRETARY WHITELEY: Will there be a mill spread as well ?

Q. Yes.

Q. On the 12th of October -- A. $6.20.

Q. Well, take the 9th of October, it brings us to a nearer date? A. All right.

Q. It is $10. -- A. And 40 cents.

Q. And 40 cents, isn't it? A. $10.30.

Q. $10.30. A. $26., is that the figure you want? It is $26. for a thousand yards.

Q. $26. for a thousand yards, well, in October, 1965 the amount of protection was $30.50? A. $46.50.

Q. $46.50? A. And the difference in the mill spread was $20.

Q. $26. and the protection -- A. $46.50, that is $20.50.

Q. $20.50 more; that is taking an arbitrary date. One cannot base anything on one particular day. We might make a survey of them all. Now, what is next? A. There is another one with that. We can file that tomorrow. That is the desk column.

Q. It is not quite ready? A. It is ready.

Q. Let us put it up now if it is convenient to the commission? A. It may be inconvenient.

Q. Well, probably we could get an exhibit number for that, my lord, for the next one.

THE COMMISSIONER: Bal.

MR. MOSS: If you will just keep that blank because that will keep the two that are similar together.

COMMISSIONER WHITTEMORE: Will there be a mill spread on well?

BY MR.McRUER: Q. Now, the next statement is a comparative statement --

THE COMMISSIONER: This will be 842.

EXHIBIT No. 842: Comparative statement between Canada and the United States on cotton fabric.

MR. McRUER: A comparative statement on cotton fabric per thousand yards 35"/36", 100 x 80 -- that is the count, is it, Mr. Hooper ? A. Yes.

Q. 4.10 yards per pound, bleached.

THE COMMISSIONER: What did you say ?

MR.McRUER: 4.10 yards per pound.

THE COMMISSIONER: It is bleached, is it ?

MR.McRUER: Bleached, my lord; there are no samples with this ? A. No samples; this is the same fabric only not bleached.

Q. Well, we have not come to that yet ? A. No.

Q. Now, let us see what the rates of duty have been applicable to this fabric. Prior to 1930 it is 25 per cent ad valorem but no specific. In September, on September 30th-- on September 17th, 1930, it was made 27 1/2 per cent ad valorem and 4 cents specific. Now, you have a note here, "increase 55.5 per cent".

THE COMMISSIONER: You say there is a note to that effect -- oh, yes, there is.

MR. McRUER: Yes, my lord; now, the selling price in the United States on the 30th of July, 1930 was $93.75. On the 16th of December, 1930, $93.75. The duty payable in July, 1930 was $22.85 and in December, 1930 --

THE COMMISSIONER: $36.54.

BY MR.MORDER: Q. Now, the next statement is a comparative statement --

THE COMMISSIONER: This will be 842.

EXHIBIT No. 842: Comparative statement between Canada and the United States on cotton fabric.

MR. MORDER: A comparative statement on cotton fabric per thousand yards 35"\36", 100 x 80 -- that is the count, is it, Mr. Hooper? A. Yes.

Q. 4.10 yards per pound, bleached.

THE COMMISSIONER: What did you say?

MR.MORDER: 4.10 yards per pound.

THE COMMISSIONER: It is bleached, is it?

MR.MORDER: Bleached, my Lord; there are no samples with this? A. No samples; this is the same fabric only not bleached.

Q. Well, we have not come to that yet? A. No.

Q. Now, let us see what the rates of duty have been applicable to this fabric. Prior to 1930 it is 25 per cent ad valorem but no specific. In September, on September 30th-- on September 17th, 1930, it was made 27 1/2 per cent ad valorem and 4 cents specific. Now, you have a note here, "Increase 55.5 per cent".

THE COMMISSIONER: You say there is a note to that effect -- oh, yes, there is.

MR. MORDER: Yes, my Lord; now, the selling price in the United States on the 30th of July, 1930 was $93.75. On the 16th of December, 1930, $95.75. The duty payable in July, 1930 was $22.85 and in December, 1930 --

MR. McRUER: Yes, my lord -- $35.54.

THE COMMISSIONER: $35.54.

BY MR.McRUER: Q. The selling price in Canada was apparently about $2.75 above the duty paid value. In 1931 it was down $5.00. Now, would that appraiser's bulletin that we have dealt with affect this fabric ? A. Yes.

Q. Oh yes, I see, from April 7th, 1932 ? A. Yes.

Q. Now, we have a comparative figure here. Now, if we compare the duty payable on the 8th of January, 1932, the ad valorem was $22.04 and on the 30th of September when the fabric was selling at the same price in the United States the ad valorem in Canada was $26.19 ? A. That is right.

Q. That would be due to two things, one the appraisal and the other -- A. No, the lower rate of exchange. It would be even higher if the same rate of exchange prevailed.

Q. If the same rate of exchange prevailed the valuation would be even higher; yes, that is right. Although the rate of exchange dropped the ad valorem duty went up. That would be due solely to the effect of the appraiser's bulletin, would it not ? A. Yes.

Q. Nothing else intervened there, was there ? A. No. Of course, you have got the exchange on a higher valuation.

Q. Yes; now, just to make another comparison, on March 1st, 1933, the selling price of this fabric in the United States was $53.75 ? A. Yes.

Q. On July 30th, 1930, the selling price was

MR. HOOPER: Yes, my lord -- $55.54.

THE COMMISSIONER: $55.54.

BY MR.MORDEN: Q. The selling price in Canada was approximately about $4.75 every two full years. In 1931 it was down $3.00. Now, would that appraiser's bulletin show we have Canadian dollars twice?

A. Yes.

Q. Oh Yes, I see, from April 7th, 1932 ? A. Yes

Q. Now, we have a comparative figure here. Now, if we compare the two periods of the Act of January, 1923, the ad valorem was $22.04 per cwt. The Act of before when the tariff was quoting at the same price in the United States the ad valorem in Canada was $26.10 ? A. That is right.

Q. That would be due to two things, one the appraisal and the other -- A. No, the lower rate of exchange. It would be even higher if the same rate of exchange prevailed.

Q. If the same rate of exchange prevailed the valuation would be even higher yes, that is right. Although the rate of exchange dropped the ad valorem duty went up. That was in the safety to the effect of the appraiser's bulletin, would it not ? A. Yes.

Q. Nothing else intervened there, was there ?

A. No. Of course, you have got the exchange on a higher valuation.

Q. Yes; now, just to make another comparison, on March 1st, 1933, the selling price of this fabric in the United States was $33.75 ? A. Yes.

Q. On July 30th, 1930, the selling price was

$93.75. In 1930, the duty payable was $22.85 when the selling price was $93.75. On March 1st, 1933 when the selling price was $53.75 the duty payable was how much, duty and excise -- $78.00, wasn't it ?

THE COMMISSIONER: That is putting the value in American funds ?

MR. McRUER: No, that is laid down here.

THE COMMISSIONER: You are taking the duty out of it ?

MR.McRUER: The duty and exchange all come into it. It is the total protection. A. $88.01.

Q. $88.01 that is right. Well, let us look at this fabric as to how it has been affected by the new agreement in January, 1936. The selling price on January 2, 1936, $95., compares very closely with the selling price of $93.75 on July 30th, 1930. The duty and excise -- what is this, I don't understand this figuge? A. You have got into the processing tax problem again.

Q. There is something funny here.

MR.KELLOCK: There seems to be an error in the heading of your columns under the word fabrics. Under the ad valorem it is 25 per cent and specific none and excise tax none.

THE WITNESS: Yes, and the same thing with excise tax because it should be 3 per cent.

BY THE COMMISSIONER: Q. What is that you say, the excise tax is, 4 per cent ? A. 3 per cent, my lord.

Q. When did it become 3 per cent ? A. 1932 .

Q. 1932 ? A. Yes, my lord. The first change is

[illegible]. In 1929, the duty payable was $[illegible] when the selling price was $[illegible]. In 1930 when the selling price was $[illegible]. The duty payable was [illegible] duty and excise -- $78.00, wasn't it ?

THE COMMISSIONER: That is putting the value in Canadian Canada.

MR. MONDER: Yes, that is just about here.

THE COMMISSIONER: You are taking the duty out of it ?

MR. MONDER: The duty and exchange will come into it in the same proportion. A. $65.01.

Q. But that is right. Well, let us look at this figure as it is now in the page referred to by the new [illegible] in January, 1926. The selling price is [illegible] January 8, 1926, [illegible] comparing very closely with the selling price of $[illegible] in July 1929. The duty on [illegible] -- that is fine, I don't understand this figure [illegible]. You have got into the [illegible] the problem again.

A. There is something funny here.

MR. MELLOCH: There seems to be an error in the [illegible] the word [illegible]. [illegible] the ad valorem it is 25 per cent and specific mono and excise tax mono.

MR. WITHROW: Yes, and the same thing with excise tax because it should be 3 per cent.

BY THE COMMISSIONER: Q. What is that you say, the excise tax is, 4 per cent ? A. 3 per cent, my lord.

Q. When did it become 3 per cent ? A. 1928.

Q. 1928 ? A. Yes, my lord. The first change

the specific duty is 4 cents per pound and the excise tax is 3 per cent. They have carried the headings from the other page.

BY MR. KELLOCK: Q. 27 1/2 per cent and 3 cents ? A. 27 1/2 per cent and 4 cents.

BY THE COMMISSIONER: Q. What about the ad valorem? A. That should be changed to 27 1/2, my lord.

BY MR.McRUER: Q. To go back to the calculation I was making; the duty payable in 1930 was $22.85. In 1936 it is $31.26 including duty and excise. The ad valorem duty is 2 1/2 per cent less than it was in 1930 but there is a specific duty and the excise tax ? A. That is right.

Q. Now then, -- A. Will we reserve a number for the mill spread ?

Q. The statement in reference to the mill spread, my lord, on this will be available tomorrow morning.

THE COMMISSIONER: We haven't it now ?

MR.McRUER: No.

THE COMMISSIONER: Is this the last you are putting in tonight ?

MR.McRUER: If your lordship will just make a number for tomorrow morning we will file the mill spreads tomorrow morning.

THE COMMISSIONER: You are going to deal with it tomorrow morning too ?

MR.McRUER: Yes, my lord.

THE COMMISSIONER: We will give it a number tomorrow morning.

-- The Commission adjourned at 5 P.M. to resume at 10:30 A.M. Saturday, November 7th, 1936.

the specific duty is 4 cents per pound and the excise tax is 3 per cent. They have carried the bookings from the other page.

BY MR. KELLOCK: Q. 27 1/2 per cent and 3 cents

A. 27 1/2 per cent and 4 cents.

BY THE COMMISSIONER: Q. What about the ad valorem

A. That should be changed to 27 1/2, my lord.

BY MR.MONTGOMERY: Q. To go back to the calculation I was making: the duty payable in 1930 was $38.36. In 1930 it is $21.85 including duty and excise. The ad valorem duty is 2 1/2 per cent less than it was in 1930 but there is a specific duty and the excise tax ?

A. That is right.

Q. Now then, -- A. Will we reserve a number for the will spread ?

Q. The statement in reference to the will spread, my lord, on this will be available tomorrow morning.

THE COMMISSIONER: We haven't it now ?

MR.MONTGOMERY: No.

THE COMMISSIONER: Is this the last you are calling in Montreal ?

MR.MONTGOMERY: If your lordship will just make a number for tomorrow morning so we will file the will spreads tomorrow morning.

THE COMMISSIONER: You are going to deal with it tomorrow morning too ?

MR.MONTGOMERY: Yes, my lord.

THE COMMISSIONER: We will give it a number tomorrow morning.

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A. S. Whiteley, Secretary,

E I G H T Y - F I F T H D A Y

(November 7, 1936)

Robert Brydie,
Official Reporter.

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON.MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

APPEARANCES:

J.C. McRuer, K.C. and E. Beauregard, K.C.	Commission Counsel
J.P. Lanctot, K.C. and R.L. Kellock, K.C.	For Special Committee on Primary Textile Industries.
C.G. Heward, K.C. Aime Geoffrion, K.C. and C.T. Ballantyne,	For Dominion Textile Company.
S.G. Dixon, K.C.	For Courtaulds, Limited.
L.A. Forsyth, K.C.	For Camdian Celanese Limited, and Canadian Silk Products Limited.

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BRIEF PRESENTED ON THE PRICING LEGISLATION

Hon. Mr. Justice A.F.A. Turcotte,

Commissioner.

A.S. Whitely, Secretary.

A P P E A R A N C E S

A.C. Stewart, K.C. and E. Bernard, A.C.	Commission Counsel
A.J.T. Lawson, A.C. and A.L. Dalton, A.C.	For Special Committee on Primary Textile Companies.
G.C. Howard, K.C. Alan Scottish, K.C. and G.F. Williams.	For Dominion Textile Company.
S.G. Hall, K.C.	For Courtaulds, Limited.
L.A. Jessup, K.C.	For Canadian Celanese Limited, and Canadian Silk Products Limited.

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Ottawa, Ont.,
Saturday, November 7, 1936.

-- The Commission resumed at 10:30 A.M.

GORDON HOOPER, Examination continued.

MR. McRUER: Mr. Hooper, my lord, has made an error yesterday. He thought he had a companion statement to go in with 840 on another fabric that was similar and he finds that he was in error on that.

THE COMMISSIONER: 841 then is not required ?

MR.McRUER: 841 is not required.

THE COMMISSIONER: In the meantime we filed another one which we called 842.

MR.McRUER: That is right.

THE COMMISSIONER: Well, we will just change that number to 841.

MR.McRUER: Would not that make our record that has already been written with references to 842 confusing ?

THE COMMISSIONER: You mean the reporting ?

MR.McRUER: Yes, my lord.

THE COMMISSIONER: If it is not more confusing to wonder after a while where is 841; however, which ever way you like, that will mean there will be no 841; we jump from 840 to 842.

MR.McRUER: That is right, my lord.

THE COMMISSIONER: Unless you had some stray exhibit you might put in there. 842 and 840 are separate. There is no connection between them, is there ?

THE WITNESS: No.

-- The Commission resumed at 10:30 a.m.

MORNING SESSION Examination continued.

MR. MORDEN: Mr. Speaker, my lord, I did make an error yesterday. He thought he had a companion statement to go in with 840 on another fabric that was similar and he finds that he was in error on that.

THE COMMISSIONER: 841 then is not required?

MR. MORDEN: 841 is not required.

THE COMMISSIONER: In the meantime we filed another which we called 842.

MR. MORDEN: That is right.

THE COMMISSIONER: Well, we will just change that number to 841.

MR. MORDEN: Would not that make our record that has already been written with reference to 842 confusing?

THE COMMISSIONER: Do make the correction?

MR. MORDEN: Yes, my lord.

THE COMMISSIONER: If it is not more confusing to wonder after a while where is 841; however, which ever may you like, that will mean there will be no 841; we jump from 840 to 842.

MR. MORDEN: That is right, my lord.

THE COMMISSIONER: Unless you had some entry exhibit you might put in there. 840 and 840 are separate. There is no connection between them, is there?

THE WITNESS: No.

THE COMMISSIONER: When you get a document that is independent also you might make it 841.

MR.McRUER: Very well, we will do that , my lord.

THE COMMISSIONER: 842, Mr. McRuer, is a comparative statement on bleached cotton fabric. That is for prices; does that include mill spread ? A. No, that is the American prices.

Q And the Canadian prices ? A. And the Canadian prices.

Q. Have you also another document about mill spread ? A. Yes.

Q. Why not make that 841?

MR. McRUER: Very well, we will make the mill spread for the fabric shown on Exhibit 842 Exhibit 841. Then, the next exhibit that you show to me is the mill spread for the fabric shown on Exhibit 842, which we will file as Exhibit 841.

THE COMMISSIONER: That is right.

EXHIBIT 841: Comparative statement of Canadian and American mill spread on bleached cotton fabric.

BY MR. McRUER: Q. Now, we are right, are we ? A. Yes, that is right.

Q. Now, this starts in October, 1929 and is comparative between the Canadian and American mills. We have more dates, in respect to the American mills than we have in the Canadian mills ? A. Yes, in 1933 especially, otherwise they have changed their prices about the same number of times, the list prices about the same number of times.

THE COMMISSIONER: When you get a document that is independent also you might make it 841.

MR. MORAHAN: Very well, we will do that, my Lord.

THE COMMISSIONER: 842, Mr. Morahan, is a comparative statement on bleached cotton fabric. That is the prices; does that include mill spread? A. No, that is the American prices.

Q. And the Canadian prices? A. And the Canadian prices.

Q. Have you also another document about mill spread? A. Yes.

Q. Why not make that 841?

MR. MORAHAN: Very well, we will make the mill spread for the fabric shown on exhibit 842 Exhibit 841. Then, the next exhibit that you show to me is the mill spread for the fabric shown on Exhibit 842, which we will file as Exhibit 841.

THE COMMISSIONER: That is right.

EXHIBIT 841: Comparative statement of Canadian and American mill spread on bleached cotton fabric.

BY MR. MORAHAN: Q. Now, we are right, are we? A. Yes, that is right.

Q. Now, this starts in October, 1929 and is comparative between the Canadian and American mills. We have more data, in support to the American mills than we have in the Canadian mills? A. Yes, in 1929 generally, whenever they have changed their prices [illegible] number of times, the list prices [illegible] number of times.

BY THE COMMISSIONER: Q. I notice the first Canadian item is 1929, October 7th ? A. Yes.

Q. There is no corresponding item in the United States ? A. No. The first item in the American is December, 1930.

BY MR.McRUER: Q. October, 1930, would be the nearest comparative date ? A. Yes.

Q. Exhibit No.828 was issued in September, 1932, was it not, Mr. Hooper ? A. Yes.

Q. We dealt with that yesterday and that was the second appraiser's bulletin that had been sent out. The first one was on the 7th of April, 1932, and this one went out in September, which you told us yesterday was really a revision and extension of the first bulletin? A. Yes.

Q. And this was published under authority derived from Section 36(2) ? A. Yes.

Q. Of the Customs Act ? A. The Customs Act.

Q. Now, between June, 1932 and September, 1932 there seems to be a jump in the mill spread in the Canadian mills of 7.73 -- no, it is the other way about, 6.27 ? A. That is right, 6.27.

Q. Now, there was a jump in the American mill spread between May and September of about 2.18. Now, the selling price of this fabric in Canada seemed to jump as well, 9.75.

THE COMMISSIONER: In what months ?

MR.McRUER: Between June and September, 1932.

THE COMMISSIONER: From 38.95 to 49.20.

MR.McRUER: Yes, my lord.

BY MR.GRIESDALE: Q. I notice Mr. Flynn Canadian item is 1930, October 7th ? A. Yes.

Q. There is no corresponding item in the United States ? A. No. The first item in the American is December, 1930.

BY MR.MONTGOMERY: Q. October, 1930, would be the general Conservative year ? A. Yes.

Q. Exhibit No.888 was issued in September, 1932, was it not, Mr. Hooper ? A. Yes.

Q. We dealt with that yesterday and that was the second appraiser's bulletin that had been sent out. The first one was on the 7th of April, 1932, and this one went out in September, which you told us yesterday was really a revision and extension of the first bulletin? A. Yes.

Q. And this was published under authority derived from Section 36(3) ? A. Yes.

Q. Of the Customs Act ? A. The Customs Act.

Q. Now, between June, 1932 and September, 1932 there seems to be a jump in the mill spread in the Dominion Bill Act 7.VI — so, I gather the mill spread was 6.27 ? A. That is right, 6.27.

Q. Now, there was a jump in the American mill spread between May and September of about 2.18. Now, the selling price of this fabric in Canada seemed to jump as well, 9.75.

MR.MONTGOMERY: Between June and September, 1932.

THE COMMISSIONER: From 36.85 to 45.80.

A. MR.HOOPER: Yes, Mr. Commissioner.

On September 12th it is down about 2.6.

THE COMMISSIONER: In theUnited States between May and September it jumped also, not altogether so much.

MR.McRUER: Yes. Between May and November it had really dropped in the United States.

THE COMMISSIONER: Yes, but between May and September it jumped about $4.00.

MR.McRUER: Yes.

THE COMMISSIONER: $4.10.

MR. KELLOCK: It dropped in November in Canada.

MR.McRUER: In November it was still $5.00.

MR. KELLOCK: Those are cents per pound.

MR.McRUER: Well, five cents and getting into 100 pounds, $5.00, really five cents above what it was in June while in the United States it was just the same as it had been in May.

MR. KELLOCK: But you have not got the June figure on the last one ?

MR. McRUER: No, have not got the June figure. Now, just let us get the effect of these changes, if we can, Mr. Hooper. Do you know how many yards would go through on these pieces ? A. Do you mean all print goods or just this item here ?

Q. Well, yes, I want to get some idea of what a cent a pound means of an advance ? A. A cent a pound would mean on 10,000,000 yards, $100,000.

MR KELLOCK: Where is the 10,000,000 yards ?

MR.McRUER: We are just going to find out.

THE WITNESS: He asked what an advance would mean.

Q. Do you know to what extent the production of

on September 12th it is down about 2.6.

THE COMMISSIONER: In tonnited by tes between Ma and September it jumped also, not altogether so much.

MR.MORGAN: Yes. Between May and November it had really dropped in the United States.

THE COMMISSIONER: Yes, but between May and Sep-

[illegible]

[illegible]: Yes.

THE COMMISSIONER: 24.10.

MR. KELLOCK: It dropped in November in Canada.

MR.MORGAN: In November it was still $5.00.

MR. KELLOCK: Those are cents per pound.

MR.MORGAN: Well, five cents and getting into 100 pounds, $5.00, really five cents above what it was in June while in the United States it was just the same as it had been in May.

MR. KELLOCK: But you have not got the June figure on the last one ?

MR. MORGAN: No, have not got the June figure. Now, just let us get the effect of these changes, if we can, Mr. Hooper. Do you know how many yards would go through on those pieces ? A. Do you mean all prints goods or just this item here ?

Q. Well, yes, I want to get some idea of what a cent a pound means of an advance ? A. A cent a pound would mean on 10,000,000 yards, $100,000.

MR KELLOCK: Where is the 10,000,000 yards ?

MR.MORGAN: [illegible]

THE WITNESS: He asked what an advance would mean.

Q. Do you know to what extent the production of

these prints amounts to for the Dominion Textile Company for instance.

MR. KELLOCK: On this fabric ?

MR. McRUER: No, print fabrics generally ?

A. Generally, I think their total production is 50,000,000 yards.

Q. A year ? A. A year.

BY THE COMMISSIONER: Q. The total production in Canada ? A. The total number of yards put through the print works.

BY MR. McRUER: Q. That is of the Dominion Textile ? A. Yes.

BY THE COMMISSIONER: Q. Just Dominion Textile ? A. Dominion Textile, my lord; that figure can be checked. I would not like to say definitely.

MR. BALLANTYNE: Mr. Gordon will be here in a minute.

THE WITNESS: On this fabric here, it is a very popular number and it might be around a million yards.

MR. McRUER: It works both ways, you know.

BY THE COMMISSIONER: Q. On all these different exhibits -- take the one we have now, 841. The mill spread in Canada, even taking into consideration the currency exchange, seems to be pretty uniformly higher than in the United States; that is right, isn't it ? A. Yes, my lord.

Q. Although over the last several years of that time wages are higher in the United States, are they not ? A. Yes, my lord.

Q. What other factors then constitute the higher

pany for instance.

MR. [illegible]: Do that always ?

MR. [illegible]: Mr. [illegible]

A. Generally, I think their total production is 50,000,000 yards.

Q. A year ? A. A year.

BY THE COMMISSIONER: Q. The total production in Canada ? A. The total number of yards put through the plant: [illegible]

BY MR. [illegible]: Q. That is of the Dominion Textile ? A. Yes.

BY THE COMMISSIONER: Q. Are [illegible] A. Dominion Textile, my Lord; that figure can be checked. I would not like to say definitely.

MR. [illegible]: Mr. Gordon will be here in a minute.

THE WITNESS: On this fabric here, it is a very popular number and it might be worth a million yards.

MR. [illegible]: It works out, you know.

BY THE COMMISSIONER: Q. On all these different exhibits -- take the one we have now, 843. The will [illegible] in Canada, [illegible] [illegible] than in the United States; that is right, isn't it ? A. Yes, my Lord.

Q. Although over the last several years of that time there was slight [illegible] in the United States, was it not ? A. Yes, my Lord.

Q. The [illegible] [illegible]

mill spread in Canada; can you tell me ? A. Yes, the output of the mill, that is, the number of yards.

Q. It is smaller ? A. The number of yards produced would be smaller, and they would have more patterns to supply the need and demand of the country here than they would in the United States, I mean, than one mill would have in the United States. Here they would give you an exclusive pattern provided you order 6,000 yards. In some cases they have even gone below that whereas in the United States they would not accept an order to confine a pattern of manufacture over there unless he gave 25,000 yards.

Q. Here it is how many ? A. About 6,000. Your roller costs and that -- that would be about $10. a piece. On a five-colour design, that would be $50. Now, on 6,000 yards that is eight-tenths of a cent for the roller alone.

Q. For the roller alone ? A. Yes, for the rollers used on a five-colour job.

Q. You mean eight-tenths of a cent a yard ? A. Eight-tenths of a cent a yard. You can see their costs would mount up here in Canada where they confine patterns. They may only be able to get a premium of one-eighth of a cent. That would not be sufficient to off-set the additional cost in the manufacture of these goods.

Q. When you have taken into account all these items that constitute the cost can you still arrive at the respective margins of profit in the United States and in Canada, because that also is part of the spread,

mill spread in Canada; can you tell me? A. Yes, the output of the mill, that is, the number of yards.

Q. It is smaller? A. The number of yards produced would be smaller, and they would have more pattern to supply the need and demand of the country here than they would in the United States, I mean, than one mill would have in the United States. Here they would give you an exclusive pattern provided you order 6,000 yards. In some cases they have even gone below that whereas in the United States they would not accept an order to confine a pattern of manufacture over there unless he gave 25,000 yards.

Q. Here it is how many? A. About 6,000. Your price here had been ... "Yes" would be about 20c. a piece. On a five-colour design, that would be 25c. Now, on 6,000 yards that is eight-tenths of a cent for the roller alone.

Q. For the roller alone? A. Yes, for the roller used on a five-colour job.

Q. The ... cost of a job of a yard? A. ... a yard. The ... would ... that ... cent. That would not be sufficient to off-set the additional cost in the manufacture of these goods.

Q. When you have taken into account all these items that constitute the cost you will arrive at the approximate amount of profit in the British Empire and in Canada. Somewhere that also is part of the ...

is it not ? A. That is part of the spread, my lord. You see, the policy in the United States has been more or less maintained over a period of years, and the same holds true of Canadian selling policy.

Q. What do you mean by policy ? A. Selling policy.

Q. You mean the prices ? A. The method on which they do business. They would take an order on a certain basis in the United States in respect to quantities.

Q. At certain prices ? A. For a certain number of yards and give them exclusive use of certain patterns. That has been followed through over the years in the United States.

Q. You mean that enables lower prices to be met ? A. No, what I mean to say is this; it is fair to compare the mill spread year by year in the United States, and the same of the mill spread in Canada because the same policy more or less has been obtaining in the different countries.

Q. In the two countries ? A. Yes.

BY MR.McRUER: Q. What you mean is, I suppose,-- take a certain pattern in the United States, and that would be limited to a quantity that would be comparable with a quantity to which the pattern was limited in Canada ? A. In Canada, yes.

Q. Because they have a greater diversification of patterns in the United States ? A. Yes.

MR. KELLOCK: As I understand it, Mr. Hooper says it is fair to compare the mill spread in Canada in one

is it not? A. That is part of the spread, my lord. You see, the policy in the United States has been more or less maintained over a period of years, and the same holds true of Canadian selling policy.

Q. What do you mean by policy? A. Selling policy.

Q. You mean the prices? A. The method on which they do business. They would take an order on a certain basis in the United States in respect to quantities.

Q. At certain prices? A. For a certain number of years and give them exclusive use of certain patterns. That has been followed through over the year in the United States.

Q. You mean that enables lower prices to be met? A. No, what I mean to say is this; it is fair to compare the mill spread year by year in the United States and the same of the mill spread in Canada because the same policy more or less has been sustaining in the different countries.

Q. In the two countries? A. Yes.

BY MR.McWILLIAMS: Q. What you mean is, I suppose,--take a certain pattern in the United States, and that would be limited to a quantity that would be comparable with a quantity to which the pattern was limited in Canada? A. In Canada, yes.

Q. Because they have a greater diversification of patterns in the United States? A. Yes.

Q. [illegible] it, Mr. [illegible] it is fair to compare the mill spread in Canada in one

year with the mill spread in Canada in another year , and the same in the United States.

THE WITNESS: Oh yes, you can compare the two, but to reconcile the difference. His lordship pointed out that point; how can you reconcile the difference. Take in 1931; there is a mill spread in Canada of 32.86 in October and in October, 1931 in the States it is 21.49. Now, there is the differential there.

MR. KELLOCK: October, 1931 ?

THE WITNESS: Yes, the differential is 11.31 cents a pound; now, why that difference ?

BY THE COMMISSIONER: Q. What is that ? A. Why have that additional or increased mill protection in Canada, and that cannot be just answered off-hand. It would have to be analyzed.

Q. That is the point. I did not know whether you had analyzed it and could answer it ? A. It is very hard to analyze it, very difficult. That is one of the things that Mr. Fessenden will try to answer.

Q. All right.

MR.McRUER: As to whether the mill spread in Canada is higher in Canada than in the United States since 1933, that is, since the new wage schedules came into effect in the United States, on comparative dates, I am not sure that it is.

MR. BALLANTYNE: It seems to come almost evenly.

MR.McRUER: Take August 1st, 1933 with the 4th of August, 1933 and it is 22 cents higher, that is all,or .22 cents, depending on what unit you are using.

MR.KELLOCK: That is the only comparable date.

year with the mill spread in Canada in another year, and the same in the United States.

THE WITNESS: Oh yes, you can compare the two, but to reconcile the difference. He lucidly pointed out that point; how can you reconcile the difference. Here in 1931; there is a mill spread in Canada of 28.86 in October and in October, 1931 in the States it is 21.49. Now, there is the differential there.

Q. [illegible], Lord ?

THE WITNESS: Yes, the differential is 11.51 cents a pound; now, why that difference ?

Q. [illegible] ? [illegible] have that additional or increased mill protection in Canada, and that cannot be just answered off-hand. It would have to be analyzed.

Q. That is the point. I did not know whether you had analyzed it and could answer it ? A. It is very hard to analyze it, very difficult. That is one of those things that Mr. Fessenden will try to answer.

Q. All right.

MR.McGIBBON: As to whether the mill spread in Canada is higher in Canada than in the United States since 1929, that is, since the new wage schedules came into effect in the United States, on comparative dates, I not sure that it is.

MR. BALLANTYNE: It seems to come almost evenly.

MR.McGIBBON: Take August last, 1929 with the 44h cents, [illegible] .22 cents, depending on what unit you are using.

MR. [illegible]: That is the only comparable date

MR McRUER: Yes, it is not very satisfactory to compare dates that are not pretty close together because these dates indicate the dates on which new prices came into effect, do they not, Mr. Hooper ? A. Yes. They must be fairly close together because in making any comparison --

MR. KELLOCK: That is the dates ?

THE WITNESS: Yes, because the Canadian mill follows more or less the style trend of the United States. In other words, if fabrics of five colours are popular, and the colours are dark in the United States it more or less follows that the Canadian demand will be along that line.

Q. With a little drag, I suppose ? A. With a little drag, yes, slightly, but in the market there they are just about as fast as the Americans are. They are down there all the time getting the new designs. They know what is going on down there, what is being bought, and they are just about ready for the trade here, a little bit later, but reasonably close to the time that American fabrics get out on the market.

BY MR.McRUER: Q. I have a fabric to be attached to Exhibit 8-- A. 840.

Q. This should have been filed with 840 yesterday, my lord. A. That is the Canadian fabric.

Q. All right; then, what next have we ? This is a comparative statement in respect to 1,000 yards vat dyed piece, 35"/36" wide.

THE COMMISSIONER: Did you say vat yard ?

MR.McRUER: Vat dyed, my lord, Vat Piece Dyed.

MR. MORGAN: Yes, it is not very satisfactory to compare dates that are not pretty close together because these dates indicate the dates on which new prices came into effect, do they not, Mr. Hooper? A. Yes. They must be fairly close together because in making any comparison --

Q. MORGAN: What is the dates?

In other words, if fabrics of five colours are popular, and the colours are dark in the United States it more or less follows that the Canadian demand will be along that line.

Q. With a little drag, I suppose? A. With a little drag, yes, slightly, but in the market there are down there all the time getting the new designs. They know what is going on down there, what is being sought, and they are just about ready for the trade here, a little bit later, but reasonably close to the time that American fabrics get out on the market.

MR. MORGAN: Q. I have a fabric to be attached to Exhibit 8-- A. 840.

Q. This should have been filed with 840 yesterday, my lord. A. That is the Canadian fabric.

Q. All right; then, what next have we? This is a comparative statement in respect to 1,000 yards vat dyed piece, 55"/58" wide.

THE COMMISSIONER: Did you say vat yard?

MR. MORGAN: Vat dyed.

THE COMMISSIONER: What about the yardage ?

MR.McRUER: 35"/36" wide.

MR.KELLOCK: 1,000 yards ?

MR.McRUER: Yes.

THE COMMISSIONER: Cotton again ?

MR.McRUER: Yes, my lord, 100 x 60, 4.10 yards per pound.

THE COMMISSIONER: That will be Exhibit 843.

EXHIBIT No. 843: Comparative statement of Canadian and American prices on cotton fabric, vat piece dyed - light colours.

THE COMMISSIONER: It has a sample ?

MR.McRUER: It has a sample attached, yes, my lord.

MR. KELLOCK: Is it Canadian or American ?

THE WITNESS: That is the American sample. The Canadian sample I have is not piece dyed.

BY MR. McRUER: Q. Now, in July, 1930 the United States selling price of this piece was $123.75. In December, 1930, it was the same price. The value for duty in July was $120.66 owing to the allowance of the 2 1/2 per cent cash discount; that is correct, is it not, Mr. Hooper ? A. That is correct.

Q. The value for duty in December was $123.75. The duty payable in July was $33.18 --

THE COMMISSIONER: Pardon me a moment, did you say the value for duty ?

MR.McRUER: In December, $123.75.

THE COMMISSIONER: You are on the other item, I see.

MR.McRUER: I am doing both. The value in July,

THE COMMISSIONER: Take which one, Mr. Hooper, Exhibit nine.

MR. TOOLOOK: 1,000 yards ?

MR. MOORE: Yes.

THE COMMISSIONER: Cotton sheeting ?

MR. MOORE: Yes, my Lord, 100 x 80, 4.10 yards per yard.

THE COMMISSIONER: That will be Exhibit 842.

EXHIBIT No. 842: Comparative at tariff of Canadian and American prices on cotton fabric wet piece dyed - light colours.

THE COMMISSIONER: It has a sample ?

MR. MOORE: It has a sample attached, Yes, my lord.

MR. KELLOCK: Is it Canadian or American ?

THE WITNESS: That is the American sample. The Canadian sample I have is not piece dyed.

BY MR. MOORE: Q. Now, in July, 1880 the United States selling price of this piece was $128.75. In December, 1880, it was the same price. The value for duty in July was $120.60 owing to the allowance of the 2 1/2 per cent cash discount; that is correct, is it not, Mr. Hooper ?

A. That is correct.

Q. The value for duty in December was $128.75. The duty payable in July was $58.18 --

THE COMMISSIONER: Pardon me a moment, did you say the value for duty ?

MR. MOORE: In December, $128.75.

THE COMMISSIONER: You are on the other item, I see.

MR. MOORE: I am going both. The value in July

was $120.66, 2 1/2 per cent cash discount allowed in estimating the value for duty. The duty payable, $33.18 in July, and in September it was $49.98, or an increase of 50.6 per cent. That comes out to about 43 per cent ad valorem from my rough mathematics.

THE COMMISSIONER: How much did you say, what per cent ?

MR.McRUER: I should say 43 per cent ad valorem.

A.-- 42 would be nearer.

Q. 42 per cent ad valorem; then, the excise duty -- I want to see the effect of this appraiser's bulletin on the 7th of April, 1932, if we can get it there. Yes, we should be able to. The nearest comparable figure is the 28th of March when the selling price in the United States was $88.75 and the rate of exchange 11. On September 30th the selling price in the United States was 87.50 and the rate of exchange 10.41. There is not a very big spread in either one there, but the duty payable on March the 28th, 1932 was $39.78 and in September --

MR. KELLOCK: 39 -- not 39.

MR.BALLANTYNE: No, not 39.

THE WITNESS: That is right.

MR.McRUER: 39.78 and on September 30th it was $50.58.

MR. KELLOCK: Did you say March 28th 1932 ?

MR.McRUER: Yes.

MR. KELLOCK: The duty was 32.02 and 9.76 which is 41.78.

MR.McRUER: I beg your pardon, 41.78, you are right.

was $120.66, 2 1/2 per cent cash discount allowed in estimating the value for duty. The duty payable, $32.18 in July, and in September it was $49.38, or an increase of 50.6 per cent. That comes out to about 45 per cent ad valorem from my rough mathematics.

THE COMMISSIONER: How much did you say, what per cent?

MR.MONK: I should say 45 per cent ad valorem.

.. 45 would be nearer.

.. 45 per cent ad valorem; then, the specific duty -- I want to see the effect of this appraiser's bulletin on the 7th of April, 1932, if we can get it there. Yes, we should be able to. The nearest comparable figure is the 28th of March when the selling price in the United States was $86.75 and the rate of exchange [illegible]. On September 30th the selling price in the United States was $7.40 and the rate of exchange [illegible]. There is not a very big spread in either one there, but the duty payable on March the 28th, 1932 was $40.78 and in [illegible] --

[illegible]: [illegible] --

[illegible]: No, not 39.

THE WITNESS: That is right.

MR.MONK: 39.78 and on September 30th it was [illegible].50.

[illegible]: [illegible]

[illegible]: Yes.

MR. KELLOCK: The duty was 32.02 and 3.76 which [illegible] 41.78.

[illegible]: I put [illegible]

MR. KELLOCK: There is an excise duty.

MR.McRUER: Well, the excise increased as well. A. You see, you cannot take that because it is one per cent on March 28th.

Q. I am taking the effect of the appraiser's bulletin. It did not affect the excise. Now, before the appraiser's bulletin went out the ad valorem rate on $88.75 would be about 45 per cent, I think, and notwithstanding the protection of 45 per cent -- A. Why not take $141.69 and subtract $88.75 from it and won't you get the answer to your question ?

Q. It is just the ad valorem rate I want to see. I want to see what the protection was on the ad valorem. Well, we can figure these all out or have somebody do it. Then, in addition to the increased duty due to the appraiser's bulletin was there a dumping duty, Mr. Hooper ? A. If the invoice value was less than $125.59.

Q. Well, the invoice value would be $87.50, wouldn't it?- That was the selling price in the United States ? A. Yes, it would, yes.

Q. Well, just what dumping duty would be applied in dollars and cents ? A. $28.98.

Q. $28.98 ? A. Yes.

Q. So we can say that the $50.38 would have added to it $28. and how much ? A. 98 cents.

Q. $28.98 for dumping duty.

BY THE COMMISSIONER: Q. How much for dumping duty? A. $28.98 my lord.

BY MR. KELLOCK: Q. I understood Mr. Hooper to say

MR. MILLOCK: There is an excise duty.

MR. MOWAT: Well, the excise increased as well.

A. You see, you cannot take that because it is one per cent on March 29th.

Q. I am taking the effect of the appraiser's bulletin. It did not affect the excise. Now, before the appraiser's bulletin went out the ad valorem rate on $[illegible] was [illegible] per cent, I think, and notwithstanding the protection of 45 per cent -- A. Why not take $141.69 and substract $66.75 from it and won't you get the answer to your question ?

Q. It is just the ad valorem rate I want to see. I want to see what the protection was on the ad valorem. Well, we can figure these all out or have somebody do it. [illegible] the increased duty was in the appraiser's bulletin was there a dumping duty, Mr. Hooper ? A. If the invoice value was less than $125.59.

Q. Well, the invoice value would be $97.50, wouldn't it?- That was the selling price in the United States ?

A. Yes, it would, yes.

Q. Well, that was dumping duty would be equal in dollars and cents ? A. [illegible] $28.98.

Q. $28.98 ? A. Yes.

Q. So we can say that the $80.28 would have added to it $28. and how much ? A. 98 cents.

Q. $28.98 for dumping duty.

BY THE COMMISSIONER: Q. How much for dumping duty ?

A. $28.98 by [illegible].

BY A. K. MILLOCK: [illegible]

yesterday that was included in the duties ? A. No, what I said yesterday was that $181.45 would represent the value laid down -- the value including duty and excise tax. Of course, in that $181.45 would be the dumping duty.

BY THE COMMISSIONER: Q. You mean to say on that $181.45 the dumping duty is based ? A. No, the dumping duty is in the $181.45.

Q. Where do you get it ? A. By raising the value for duty and the value for special duty to $125.59.

Q. But the $121. is not shown ? A. $125.59.

Q. No, I say the $121. is not shown. You see, you say the dumping duty is one of the factors constituting the $125.59; that is right ? A. Yes, it is the difference between that and $96.61.

Q. Where is the $96.61 ? A. In the column to the left.

Q. But we are not told what makes that difference ? A. The difference is due to the appraisal on the figure shown on this book.

Q. But there is no column here to show that ? A. No, I have not shown the dumping duty separately. I have shown the value including duty.

Q. The actual value in Canadian funds is $96.61; that is right ? A. That is the invoice value.

Q. If it was not for the dumping duty that would be the value for duty ? A. Yes.

Q. But the value for duty is $125.59 ? A. Yes.

Q. And that is due entirely to this bulletin ?

yesterday that was included in the duties ? A. No, what I said yesterday was that $121.45 would represent the value laid down -- the value including duty and excise tax. Of course, in that $121.45 would be the dumping duty.

BY THE COMMISSIONER: Q. You mean to say on that $121.45 the dumping duty is based ? A. No, the dumping duty is in the $121.45.

Q. Where do you get it ? A. By taking the value for duty and the value for special duty to $180.99.

Q. But the $121. is not shown ? A. $125.59.

Q. No, I say the $121. is not shown. You see, you say the dumping duty is one of the factors constituting the $125.59; that is right ? A. Yes, it is the difference between that and $96.61.

Q. Where is the $96.61 ? A. In the column to the left.

Q. But we are not told what makes that difference ? A. The difference is due to the appraisal on the figures shown on this book.

Q. But there is no column here to show that ? A. No, I have not shown the dumping duty separately. I have shown the value including duty.

Q. The actual value in Canadian funds is $96.61; that is right ? A. That is the invoice value.

Q. If it was not for the dumping duty that would be the value for duty ? A. Yes.

Q. But the value for duty is $125.59 ? A. Yes.

Q. And that is due entirely to this bulletin ?

A. The appraisal ?

Q. To this appraisal under that bul letin which brings into effect the dumping duty ? A. Yes, my lord.

Q. So that, as a matter of fact, what you are doing you are taking an article whose value is $96.61 and you are handling it so in the long run its value including all duties and excise tax is $181.45 ? A. That is right, my lord.

Q. Well, you don't quite double it but not far from it.

MR.McRUER: Well, the increase due to exchange was --

THE COMMISSIONER: That is carried into the $96.15.

MR McRUER: Well, we can take it at 87.50, and take that away from 96.61 which is $9.11.

THE COMMISSIONER: What is this ?

MR.McRUER: The exchange, the increase in value due to exchange.

THE COMMISSIONER: Yes, I know, but leaving it in you get to a fairer basis.

BY MR.McRUER: Q. I want to see just what duties a man would have to pay here to bring it in ? A. I have worked it out, Mr. McRuer.

THE COMMISSIONER: That is, what duties on the American price.

MR.McRUER: Yes, he buys in the United States and he has to pay exchange.

BY THE COMMISSIONER: Q. Then you get over double

A. The appraisal ?

Q. To this appraisal under the 3 per cent which [illegible] the duties [illegible] you by law.

Q. So that, as a matter of fact, what you are doing you are taking an article whose value is $26.61 and you are handling it so in the long run its value including all duties and excise tax is $181.45 ?

A. [illegible]

Q. Well, you don't quite double it but not far from it.

Mr.MONAGH: Well, the increase due to exchange was [illegible]

[illegible]

Mr.MONAGH: Well, we can take it at $7.50, and [illegible]

The COMMISSIONER: What is this ?

Mr.MONAGH: The exchange, the increase in value due to exchange.

The COMMISSIONER: Yes, I know, but leaving it in you get to a fairer basis.

Mr.MONAGH: Q. I want to see just what duties a man would have to pay here to bring it in ? A. I have worked it out, Mr. Monaghan.

The COMMISSIONER: That is, what duties on the American price.

Mr.MONAGH: Yes, he has [illegible] [illegible]

Q. [illegible]

if you do that ? A. The value including duty and excise tax if the appraisal had not been on would be $136.92.

Q. $52 less ? A. $136.92,my lord, $44.53 less.

Q. Oh yes, that is right.

BY MR.McRUER: Q. Due to appraisal ? A. Yes.

Q. How much ? A. The increase in duties and excise and dumping duty would be $44.53.

Q. $44.53; well, in figures the amount that the importer would actually pay to the government on the article that would cost him in Canadian funds $96.61 is how much ? A. $84.84.

BY THE COMMISSIONER: Q. Yes, that is it ? A. Yes, my lord.

BY MR.McRUER: Q. $84.80, did you say ? A.$84.84.

BY THE COMMISSIONER: Q. To get at that you must take account of the dumping duty ? A. Yes, the dumping duty would be included in that $84.84.

Q. When was the beginning of the dumping duty ? A. 7th of April, 1932.

Q. There should be an annotation there ? A. Well, it is only shown on account of the difference in the two columns.

Q. Yes, but there is nothing there to show what makes the difference ? A. No.

Q. That is what it is , it is the dumping duty? A. Yes.

BY MR.McRUER: Q. When this appraiser's bulletin was issued not only was the value for duty, ordinary

if you do that ? A. The value including duty and making for it the appraisal for duty, as was, would be $136.92.

Q. $52 less ? A. $136.92, my lord, $44.56 less.

Q. Oh yes, that is right.

BY MR.MONUER: Q. Due to appraisal ? A. Yes.

Q. How much ? A. The increase in duties and excise and dumping duty would be $44.56.

Q. $44.56; well, in figures the amount that the importer would actually pay to the government on the article that would cost him in Canadian funds $96.61 is how much ? A. $84.84.

BY THE COMMISSIONER: Q. Yes, that is it ?

A. Yes, my lord.

BY MR.MONUER: Q. $84.80, did you say ? A. $84.84.

BY THE COMMISSIONER: Q. To get at that you must take account of the dumping duty ? A. Yes, the dumping duty would be included in that $84.84.

Q. When was the beginning of the dumping duty ?

A. 7th of April, 1922.

Q. There should be an annotation there ? A. Well, it is only shown on account of the difference in the columns.

Q. Yes, but there is nothing there to show what makes the difference ? A. No.

Q. That is what it is, it is the dumping duty?

A. Yes.

BY MR.MONUER: Q. When this appraiser's bulletin was issued not only was the value for duty, ordinary

duties, increased over and above what they would have been on the invoice price but the dumping duty was brought into effect ? A. Yes, naturally.

Q. It worked two ways, one to increase the amount of ordinary duties that would be apayable and to bring into effect the dumping duty.

BY THE COMMISSIONER: Q. Is that dumping duty still running ? A. No, my lord; what I should say is the dumping duty is still applicable in certain instances, but it is not due to any appraisal, any general appraisal such as this.

Q. How long did it run this way ? A. From the 7th of April, 1932 until the 5th of September, 1933.

Q. The last item under it appears to be the 24th of May ? A. The last item is the 24th of May, the reason for that being that the United States prices rose steadily from the end of April and the 1st of May, 1933 until the 4th of August, and the fair market value or the selling price in the United States eventually became higher than the price provided for in this pamphlet.

BY MR. McRUER: Q. Now, just let us carry this one stage further; you gave me, I think, the price -- if the appraiser's bulletin had not been issued the selling price in Canada -- the laid down cost in Canada would have been $136.92 ? A. That is right

Q. I notice that the selling price of the Canadian fabric was $132.50 ? A. Yes.

Q. So that apparently the Canadian mill in that instance, at any rate, had adequate protection without

dutiers, commenced over and above any that would have been on the invoice price but the dumping duty was brought into effect ? A. Yes, naturally.

Q. It worked two ways, one to increase the amount of ordinary duties that would be payable and bringing into effect the dumping duty.

BY THE COMMISSIONER: Q. Is that dumping duty still running ? A. No, my lord; what I should say is the dumping duty is still applicable in certain instances, but it is not due to any appraisal, any general appraisal such as this.

Q. How long did it run this way ? A. From the 7th of April, 1922 until the 5th of September, 1922.

Q. The last item under it appears to be the 24th of May ? A. The last item is the 24th of May, the reason for that being that the United States prices rose steadily from the end of April and the 1st of May 1922 until the 4th of August, and the fair market value or the selling price in the United States eventually became higher than the price provided for in this pamphlet.

BY MR. MOUNT: Q. Now, just let us carry this one stage further; you gave me, I think, the price -- if the appraiser's bulletin had not been issued the selling price in Canada -- the laid down cost in Canada would have been $138.92 ? A. That is right

Q. I notice that the selling price of the Canadian Alum (sic) was $144.00 ? A. Yes.

Q. So that approximately the Canadian mill in that instance, at any rate, has adequate protection without

the appraiser's bulletin at all. We would have to work it out to see how it works in other instances. Now, what next ? A. The mill spread on that.

Q. The mill spread on the fabric shown on Exhibit 843, my lord.

THE COMMISSIONER: This is another exhibit ?

MR.McRUER: Yes.

THE COMMISSIONE : 844.

EXHIBIT N o. 844: Comparative statement of Canadian and American mill spread on vat piece dyed cotton fabrics.

BY MR.McRUER: Q. Now, again, on this fabric, Mr Hooper, apparently there was an increase in the Canadian mill spread between June and September, 1932; that is correct, isn't it ? A. Yes.

Q. And this bulletin you told us went out -- did it go out on the 1st of September, 1932 ? A. The 7th of September.

Q. Well, there seems to have been a change of prices on the 6th ? A. There was an advance in cotton about the day before this. I have that there. I can tell you when cotton went up. It took a jump in 1932. No, it did not go above 8 cents until the 24th of August. Then, from the 24th of August -- on the 24th of August it was 8.30, the next day 8.45, 845, 9.20, 9.20, 8.70, 8.40, 8.30, 8.75, and just prior to the 6th it was 8.90, and on the 6th 8.95. So that the price list issued before -- you will notice there on June 30th it was 5.80, cotton was 5.80.

Q. Now, between October, 29 --

MR. KELLOCK: 1929 ?

the appraiser's bulletin at all. We would have to work it out to see how it works in other instances.

Now, what next ? A. The mill spread on that.

Q. The mill spread on the fabric shown on Exhibit 846, my Lord.

THE COMMISSIONER: This is another exhibit ?

MR.MERRIER: Yes.

THE COMMISSIONER : 844.

REPORT E.G. 844: Comparative statement of Canadian and American mill spread on wet piece dyed fabric fabrics.

BY MR.MERRIER: Q. Now, again, on this fabric, Mr Hooper, apparently there was an increase in the Canadian mill spread between June and September, 1952; that is correct, isn't it ? A. Yes.

Q. And this bulletin you told us went out -- did it go out on the 1st of September, 1952 ? A. The 4th of September.

Q. Well, there seems to have been a change of prices on the 6th ? A. There was an advance in cotton about the day before this. I have that there. I can tell you when cotton went up. It took a jump in 1952. No, it did not go above 8 cents until the 24th of August. Then, from the 24th of August -- on the 24th of August it was 8.30, the next day 8.45, 8.45, 8.20, 8.20, 8.70, 8.40, 8.80, 8.75, and just prior to the 6th it was 8.00, and on the 6th 8.55. So that the price list issued before -- you will notice there on the 30th it was 5.80, cotton was 5.80.

Q. Subject Exhibit, My --

MR. McRUER Yes, October 7th, 1929, and June, 1932 there was a drop in the mill spread of about 11 points in the Canadian mills. Then, it apparently starte to increase until August, 1933.

MR.KELLOCK: It declined in November, 1932.

MR.McRUER: Yes. Now, in August 1933, it seemed to reach its high point although there was a reduction in wages in april, 1933 and in August, 1933 it reached its high point in the United States at 45.75. Again this piece seemed to react in sympathy with the N.R.A. Well, we will have the next one. The next Exhibit , my lord, is dealing with a 1,000 yard piece --

THE COMMISSIONER: Q. What is it, a comparative statement ?

MR.McRUER: Yes, a comparative, statement, yes, my lord, a 1,000 yard piece, 35"/ 36" wide, 100 x 60--

THE COMMISSIONER: How wide ?

MR.McRUER: 35"/36", the same type , 4.10 yards per pound, Vat piece dyed in dark colours.

MR.KELLOCK: Which sample is attached ?

MR. McRUER: It is the American sample that is attached, Mr. Hooper ? A. The American sample.

THE COMMISSIONER: 845.

EXHIBIT No. 845: Comparative statement between Canadian and United States prices on Vat Piece Dyed Cotton Fabric, dark colours.

BY MR.McRUER: Q. Now, you were not able to get a Canadian piece for comparative pricing, were you ? A.A Canadian piece ?

Q. Yes ? A. You mean a sample ?

MR. [illegible] Ian, [illegible] yes, 1931, and June, 1932 there was a drop in the mill spread of about 11 points in the Canadian mills. Then, it apparently at to increase until August, 1932.

MR. KELLOCK: It declined in November, 1932.

MR. MORNER: Yes. Now, in August 1933, it seemed to reach its high point although there was a reduction in wages in April, 1933 again August, 1933 it reached its high point in the United States at 45.95. Again this price seemed to react in sympathy with the U.S.A. Well, we will have the next one. The next Exhibit, my lord, is dealing with a 1,000 yard piece --

THE COMMISSIONER: Q. What is it, a comparative statement ?

MR. MORNER: Yes, a comparative statement, yes, my lord, a 1,000 yard piece, 39" \ 39" wide, 100 [illegible]

THE COMMISSIONER: How wide ?

MR. MORNER: 39"\39", the same type, 4.10 yards per pound. It was dyed in [illegible].

MR. KELLOCK: Which sample is attached ?

MR. MORNER: It is the American sample that is attached, Mr. Hooper ? A. The American sample.

THE COMMISSIONER: 845.

EXHIBIT No. 845: Comparative wholesale selling price between Canadian and United States prices on Vat Fine Dyed Cotton Fabric, dark colours.

BY MR. MORNER: Q. Now, you were not able to get a Canadian piece for comparative pricing, were you ?

A. Canadian piece ?

Q. Yes ? A. Not exact a sample ?

Q. Yes ? A. I got a sample of the fabric.

Q. You could not get the prices? A. Well, you cannot compare them.

Q. Why ? A. Because the dark colours are classified, based on the cost of dye stuffs. In other words there are four or five divisions in dark colours, and you take certain types of reds are very expensive and they have an advance of about two cents, Mr. Gordon ?

MR. GORDON: Dark brown is even more so.

THE WITNESS: They go up to about four cents.

MR.GORDON: There is a spread of at least four cents.

BY MR. McRUER: Q. Now, on this piece the duty payable in July, 1930, was $34.32. In December, when the selling price in the United States was the same the duty was $51.60 apparently, or your note "Increase 49.5%". We have the excise tax coming on on the 2nd of June, 1931 an increase on the 7th of October, 1932 ? A. April.

Q. April, 1932; the excise tax was increased at the same time as the appraiser's bulletin, the first appraiser's bulletin went out, apparently; is that correct ? A. That is correct, but I don't think Parliament knew what the Department was doing, and the Department did not know what Parliament was doing.

Q. You both apparently operated along the same lines ? A. We were working together, anyway.

Q. You were in harmony; we have got two figures here that are comparative before and after the appraiser's bulletin. On January 8th the selling price in

Q. Yes? A. I got a sample of the fabric.

Q. You could not get the prices? A. Well, you cannot compare them.

Q. Why? A. Because the dark colours are classified, based on the cost of dye stuffs. In other words there are four or five divisions in dark colours, and you take certain types of reds are very expensive and they have an advance of about two cents, Mr. Gordon?

MR. GORDON: Dark brown is even more so.

THE WITNESS: They go up to about four cents.

MR. GORDON: There is a spread of at least four cents.

BY MR. MORLEY: Q. Now, on this piece the duty payable in July, 1930, was $34.32. In December, when the selling price in the United States was the same the duty was $31.80 apparently, or your note "Increase 40.9%". We have the excise tax coming on on the 2nd June, 1931 an increase on the 7th of October, 1932? A. April.

Q. April, 1932; the excise tax was increased at the same time as the superior's bulletin, the first [illegible], [illegible] is that correct? A. That is correct, but I don't think Parliament knew what the Department was doing, and the Department did not know what Parliament was doing.

Q. You both apparently operated along the same lines? A. [illegible].

Q. You were in harmony; we have got two figures here that are comparative before and after the superior's bulletin. On January 8th the selling price i

was $92.50 and on September 30th, $92.50. Of course, there is a variation in the rate of exchange again that comes in there that throws us out a little, but apparently making allowance for $7.00 difference in the amount that would have to be paid for exchange, the increase in the duty owing to the appraiser's bulletin amounts to about $19.00 ? A. I will give you that, Mr.McRuer.

Q. All right, you can give it to us ? A. The ad valorem duty is $33.19, the specific is the same and the excise is $4.35. The value including duty and excise tax would be $149.43.

Q. As against ? A. $181.45.

Q. The increase due to the appraiser's bulletin amounts to ? A. $32.02.

Q. $32.02? A. This is lower because the price of the dark fabric is higher than the light fabric, the light dyed, and there is no differential in the pamphlet.

Q. Now, I want to compare the amount payable on this fabric since the revision of 1936 with the amount payable in July, 1930. Now, the selling price in the United States in July, 1930, was $128.75 and in January 1936, $120., so just taking the piece and accepting these two figures the duty payable in July, 1930 was $34.52, was it not ? A. Yes.

Q. And in January, 1936, after the reductions due to the Treaty with the United States the duty payable is how much ? A. You see you have got --

Q. The duty and excise ? A. You have got $9.04

[illegible] $92.50 and on September 30th, $92.50. Of course, [illegible]ere is a variation in the rate of exchange again [illegible]hat comes in there that throws us out a little, but [illegible]pparently making allowance for $7.00 difference in the [illegible]amount that would have to be paid for exchange, the [illegible]increase in the duty owing to the appraiser's bulle-[illegible]tin amounts to about $19.00 ? A. I will give you [illegible]t, Mr.Monsur.

Q. All right, you can give it to us ? A. The [illegible]d valorem duty is $52.19, the specific is the same [illegible]nd the excise is $4.35. The value including duty and [illegible]xcise tax would be $149.44.

Q. [illegible] A. $[illegible].

Q. The increase due to the appraiser's bulletin [illegible]mounts to ? A. $44.[illegible].

Q. $52.027 A. This is lower because the [illegible]rice of the dark fabric is higher than the light [illegible]ric, the light dyed, and there is no differential [illegible]n the pamphlet.

Q. Now, I want to compare the amount payable on [illegible]is fabric since the revision of 1930 with the amount [illegible]ayable in July, 1930. Now, the selling price in the [illegible]nited States in July, 1930, was $139.75 and in [illegible]anuary 1936, $180., so just taking the piece and [illegible]ccepting these two figures the duty payable in July, [illegible]930 was $54.52, was it not ? A. Yes.

Q. And in January, 1936, after the reductions on [illegible] the Treaty with the United States the duty payable [illegible] ? A. [illegible]

Q. The duty and excise ? A. You have got $2.04

off $120. You have got down to $110.96 and compare that to $128.75.

Q. Why is there $9.04 off $120.? A. On account of the United States processing tax being deductable for duty purposes so you cannot compare the $111. with $128.75. You can figure out what the duty would be on the $128.75 at the present time.

Q. Well, figure out what the duty would be on the $128.75 at the present time.

BY THE COMMISSIONER: Q. You mentioned the processing tax; that did not operate in 1930 ? A. No, Mr. McRuer was in 1936, taking January 2 nd.

Q. It operated then? A. Yes, removed on the 6th of January.

BY MR.Mc RUER: Q. I am just curious to know on a fabric costing $128.75 what the duty would be now ? A. Ad valorem $35.40, specific $8.54 --

BY THE COMMISSIONER: Q. Just a minute, ad valorem how much ? A. $35.40.

Q. Specific ? A. $8.54

BY MR.McRUER: Q. $8-- A. $8.54 and excise $5.16.

BY MR. KELLOCK: How much ? A. $5.16.

BY THE COMMISSIONER: What is the rate of excise? A. Three per cent, my lord, on the duty paid value, a total of $49.10.

BY MR.McRUER: Q. $49.10 as against $34.52 in 1930 ? A. We could have got at it quicker than that because the difference is $8.54 plus the excise tax, the specific duty and the excise tax. The ad valorem duty was

off $100. You have got down to $110.96 and compute [illegible] $124.17.

Q. Why is there $0.04 off $120.? A. On account of the United States processing tax being deductable for duty purposes so you cannot compute the $111. with $128.75. You can figure out what the duty would be on [illegible] at the present time.

Q. Well, figure out what the duty would be on the [illegible]

BY THE COMMISSIONER: Q. You mentioned the processing tax; that did not operate in 1930 ? A. No. Mr. Bonner was in 1936, taking January 2 nd.

Q. It operated then? A. Yes, removed on the 6th of January.

BY MR.McKEN: Q. I am just anxious to know on a fabric costing $128.75 what the duty would be now ? A. Ad valorem 25%.40, specific $2.54 —

BY THE COMMISSIONER: Q. Just a minute, ad valorem [illegible] $124.40.

Q. Specific ? A. $2.54

BY MR.McKEN: Q. [illegible] A. [illegible] and excise [illegible].

[illegible] The [illegible] $4.40.

BY THE COMMISSIONER: What is the rate of exchange? A. Three per cent, my lord, on the duty paid value, a total of $4.10.

BY MR.McKEN: Q. [illegible] $4.22 in 1930 A. He would have got at it quicker than that because the difference is $2.54 plus the excise tax, the specific duty and the excise tax. The ad valorem duty was

the same.

Q. Well, we have done a lot of work. The next Exhibit deals with Vat Print, 1,000 yard piece, 36" wide, 64 x 60.

THE COMMISSIONER: This is a comparative statement?

MR.McRUER: Yes, my lord.

THE COMMISSIONER: Vat print ?

MR.McRUER: Vat print.

THE COMMISSIONER: What about the width ?

MR.McRUER: 36 inches wide 64 x 60, 5.35 yards per pound.

THE COMMISSIONER: With a sample attached ?

MR.McRUER. Yes; is this a Canadian or American sample, or both ? A. Both.

Q. With Canadian and American samples attached.

THE COMMISSIONER: This is Exhibit 846.

EXHIBIT No. 846: Comparative statement of Canadian and United States prices on vat prints, cotton fabrics.

THE COMMISSIONER: We are still in cotton, allthis time ?

MR. McRUER: Yes. Now, this starts in 1933, Mr. Hooper ? A. Yes, Mr. McRuer, the reason for that being that I was not able to find the prices on this cloth prior to that date .

Q. I see, all right; we will have to do the best we can. Now, we have got the prices in Canada -- well, we have got the Canadian selling prices but not the American ? A. We have the Canadian selling prices.

Q. But not the American ? A. We have the Canadian

A. Well, we have done a lot of work. The next
[illegible] with Ver Ranz, 1,000 pool wins, 30-
[illegible], 44 x 60.

5 THE COMMISSIONER: Will is a conservative area-
[illegible]

Mr.MORTON: Yes, my lord.

THE COMMISSIONER: Vet price ?

A.Answer: Six pence.

10 Q. [illegible] Mr. Morton ?

M. MORTON: 35 inches wide 64 x 60, 8.35 yards per
[illegible].

THE COMMISSIONER: With a sample attached ?

15 Mr.MORTON. Yes; is this a Canadian or American
sample, or both ? A. Both.

Q. With Canadian and American samples attached.

THE COMMISSIONER: This is Exhibit 366.

EXHIBIT No. 366: Comp rative statement of
Canadian and United States
prices on wet yields,
Sylvan Forster.

20 THE COMMISSIONER: We are still in cotton, although
[illegible] ?

A. [illegible] Yes. [illegible], this starts in 1900.

Mr. Hooper ? A. Yes, Mr. Monter, the reason for
[illegible] being th t I was not able to find the prices on the
[illegible] that date.

25 Q. I see, all right; we will have to do the best
[illegible] can. Now, we have got the prices in Canada -- well,
[illegible] have got the Canadian selling prices but not the
[illegible] ? [illegible] selling prices.

30 [illegible]

selling prices.

Q. But not the American ? A. Oh yes, we have got the United States selling prices.

Q. Oh yes, from 1933; the United States selling prices seem to go up very sharply between May and August, 1933 again, and the Canadian selling prices did likewise, but not as emphatically.

MR.KELLOCK: Not so sharply.

BY MR.McRUER: Q. But the United States prices dropped between August and December, by $25. and the Canadian selling prices went up $6.25. Again, the Canadian selling price seems to have gone up after -- no, I beg your pardon, I thought this line was the appraiser's bulletin, but it is not. A. No, the appraiser's bulletin comes in there in the first three lines, March 1st, April 29th, and May 24th.

Q. 1933, no. A. Yes, 1933.

Q. It was in effect then? A. Yes.

Q. Oh yes, quite; but the rate on this prior to 1930 was 27 1/2 per cent, was it, Mr. Hooper, the rate on this particular type of fabric ? A. 27 1/2.

Q. 27 1/2 per cent, so that the duty payable in January after the change, or the duties and excise would be $10.48 more than the duties payable prior to the changes in 1930; is that right ? A. A little bit more than that, because you had 2 1/2 per cent cash discount.

Q. All right? A. I have not got a comparative statement for that fabric made up yet .

Q. You haven't the millspread, you mean ? A.No.

selling prices.

Q. But not the American? A. Oh yes, we have got the United States selling prices.

Q. Oh yes, from 1930; the United States selling prices seem to go up very sharply between May and August, 1933 again, and the Canadian selling prices did likewise, but not as emphatically.

MR.MELLOOK: Not so sharply.

BY MR.MOORE: Q. But the United States prices dropped between August and December, by 22%, and the Canadian selling prices went up 36.26. Again, the Canadian selling price seems to have gone up after -- no, I beg your pardon, I thought this time was the appraiser's bulletin, but it is not. A. No, the appraiser's bulletin comes in there in the first three lines, March 1st, April 20th, and May 24th.

Q. 1930, no. A. Yes, 1930.

Q. It was in effect then? A. Yes.

Q. Oh yes, quite; but the rate on this prior to 1930 was 27 1/2 per cent, was it, Mr. Hooper, the rate on this particular type of fabric? A. 27 1/2.

Q. 27 1/2 per cent, so that the duty payable in January after the change, or the duties and excise would be $10.42 more than the duties payable prior to the changes in 1930; is that right? A. A little bit more than that, because you had 2 1/2 per cent cash discount.

Q. All right? A. I have not got a comparative statement for that fabric made up yet.

Q. You haven't the milliagreed, you mean? -- No.

Q. Well, we have not got the American prices anyway. Now, the next Exhibit, my lord, is an appraiser's bulletin dated the 27th of December, 1935 ? A. Mr. McRuer, it is Appraiser's Bulletin 3789, that is the cancellation.

Q. Oh, I beg your pardon; it is dated the12th of December, 1931, and the cancellation attached dated the 27th of December, 1935.

Page 11910 Follows.

1. Well, we have not got the American prices any-
way. Now, the next exhibit, my Lord, is an appraiser's
bulletin dated the 27th of December, 1905 ? A. Mr.
Commer, it is Appraiser's Bulletin 3799, that is the
cancellation.

Q. Of your number; it is dated the
of December, 1901, and the cancellation attached dated
the 27th of December, 1905.

Page 11310 follows.

THE COMMISSIONER: What is that bulletin in reference to?

MR. McRUER: Cotton fabrics. It deals with the fixed valuation, does it not, Mr. Hooper?

THE WITNESS: Yes.

MR. McRUER: I will read it:

"COTTON FABRICS AND ARTIFICIAL SILK FABRICS

Under the authority of Section 43 of the Customs Act, and order in council (P.C. 3013) dated the 3rd day of December, 1931, the Minister of National Revenue was authorized to fix the value for duty of cotton fabrics and artificial silk fabrics, and he has, under such authority, fixed the minimum value for duty as follows:

	Canadian Dollars
Tweeds, suitings, pantings, and similar fabrics, wholly of cotton, weighing 6 oz. or more per square yard, - - - - - - - - - - -	.25 per pound
Flannelettes, robe cloths, blanketing, blanket cloths and similar napped fabrics, wholly of cotton, weighing 6 oz. or more per square yard - - - - - - - - - - -	.40 per pound
Flannelettes, robe cloths, blanketing, blanket cloths and similar napped fabrics, wholly of cotton, weighing less than 6 oz. per square yard - - - - - - -	.44 per pound

THE COMMISSION M: What is that bulletin in reference to?

MR. MORTON: Cotton fabrics. It deals with the fixed valuation, does it not, Mr. Hooper?

THE WITNESS: Yes.

MR. MORTON: I will read it:

"UNDER SECTION 16 OF ANTI-DUMPING ACT

Under the authority of Section 43 of the Customs Act, and order in council (P.C. 3013) dated the 3rd day of December, 1921, the Minister of National Revenue was authorized to fix the value for duty of cotton fabrics and artificial silk fabrics, and he has, under such authority, fixed the minimum value for duty as follows:

Canadian Dollars

Tweeds, suitings, pantings, and similar fabrics, wholly of cotton, weighing 6 oz. or more per square yard. - - - - - - - - - - .25 per pound

Flannelettes, robe cloths, blanketing, blanket cloths and similar napped fabrics, wholly of cotton, weighing 6 oz. or more per square yard - - - - - - - - - - .20 per pound

Flannelettes, robe cloths, blanketing, blanket cloths and similar napped fabrics, wholly of cotton, weighing less than 6 oz. per square yard - - - - - - - .14 per pound

Woven fabrics, composed wholly of artificial silk, when dutiable under Tariff Item 561 - - 1.25 per pound

The foregoing values in Canadian currency represent the values f.o.b. mill for regular duty on importations from all foreign countries, whether their currency is appreciated or depreciated.

For special duty purposes the selling price in any foreign currency is to be converted to Canadian dollars at the exchange rate on date of shipment and the amount of special duty payable will be the difference between the values shown above and the selling price so converted.

The provisions of Section 6 of the Customs Tariff Act to apply, and importations of such fabrics shipped on consignment without sale prior to shipment, so as to evade the payment of special duty, will be subject to the same special duty as if the goods had been sold prior to shipment.

The foregoing values not to apply to importations bona fide purchased on or before the 12 th day of December 1931, and imported and entered at Customs on or before the 12th day of January 1932."

There is a letter attached dated January 10, 1934, reading:

Seven fabrics, composed wholly of artificial silk, when dutiable under Tariff Item 321 - - 1.25 per pound.

The foregoing values in Canadian currency represent the values f.o.b. mill for regular duty on importations from all foreign countries, whether the currency is segregated or depreciated.

The penalty duty on the selling price in any foreign currency is to be converted to Canadian dollars at the exchange rate on date of shipment and the amount of special duty payable will be the difference between the values shown above and the selling price so converted.

The provisions of Section 6 of the Customs Tariff Act to apply, and importations of such fabrics shipped on consignment without sale prior to shipment, so as to evade the payment of special duty, will be subject to the same special duty as if the goods had been sold prior to shipment.

The foregoing values not to apply to importations bona fide purchased on or before the 12th day of December 1931, and imported and entered at Customs on or before the 12th day of January 1932."

There is a letter attached dated January 10, 1934, reading:

"Supplement to be attached to Appraisers' Bulletin No.3789.

The Honourable the Minister of National Revenue has ordered that the fixed valuation on Flannelette, as set forth in Appraisers' Bulletin No.3789, is not to apply to importations of Flannelette 'Remnants' measuring less than two yards in length, effective this date."

Then there is a further departmental letter from the Commissioner of Customs to the Collector of National Revenue, dated June 10, 1932:

"Subject: Value of Artificial Silk Fabrics"

This does not quite come within our department at the moment, but we shall have to deal with it, so I will read it:

"Subject: Value of Artificial Silk Fabrics

Referring to Appraisers' Bulletin No.3789 covering cotton fabrics and artificial silk fabrics,-

From information before the Department, the minimum value for duty purposes of woven fabrics composed wholly of artificial silk, as set forth in the above referred to Bulletin, when dutiable under Tariff Item 561, would not be acceptable by the Department on fabrics of similar constructions and of the same quality as the attached samples.

For your guidance in appraising artificial silk fabrics when imported from the United States, the value of goods corresponding to the enclosed samples, under the provisions of Section 36 subsection 2 of the Customs Act, is held to be

"Supplement to be attached to Appraisers' Bulletin No.[illegible]."

The honourable the Minister of National Revenue has ordered that the ruling given on Flemmeletto, as set forth in Appraisers' Bulletin No.[illegible], is not to apply to importations of "Imitation Chamois" measuring less than two yards in length, effective this date."

Then there is a further departmental letter from the Commissioner of Customs to the Collector of National Revenue, dated June 10, 1924:

"Subject: Velvet or Artificial Silk Velvets"

This does not quite come within our department at the moment, but we shall have to deal with it, so I will read it:

"Supplement Issued to Appraisers' Bulletin

Referring to Appraisers' Bulletin No.[illegible] covering cotton fabrics and artificial silk fabrics.-

From information before the Department, the minimum value for duty purposes of woven fabrics composed wholly or artificial silk, as set forth in the above referred to Bulletin, when dutiable under Tariff Item 581, would not be acceptable by the Department on fabrics of similar constructions and of the same quality as the attached samples.

For your guidance in appraising artificial silk fabrics when imported from the United States the value of goods corresponding to the enclosed samples, under the provisions of section 36 subsection 2 of the Customs Act, is held to be

not lower than $1.75 per pound, f.o.b. Shipper's warehouse."

Then, the 27th of December 1935, there is a Bulletin issued, 4459, cancelling this Appraisers' Bulletin along with others.

THE WITNESS: In so far as it refers to cotton fabrics and artificial silks, as applied to countries not under the general tariff, to which we give most favoured nation treatment.

BY MR. McRUER: Q. So it is still in effect under the general tariff? A. Yes

THE COMMISSIONER: Who would the general tariff affect in regard to cottons?

MR. McRUER: Gemany, I suppose, up until recently.

THE WITNESS: No, you do not get tweed pantings from there nor do I think any would come from China. I do not think it would affect any importations at the present time.

MR. BLAIR GORDON: Switzerland?

THE WITNESS: No, I do not think you would get these fabrics from Switzerland.

BY MR. McRUER: Q. Then referring to this letter of June 10, 1932, it does not apply to cotton fabrics, but it did apply to artificial silk fabrics. You will remember the history connected with this? A. Yes.

Q. A firm known as the Dover Silks, was it not? A. Yes.

Q. Made application to the department that they were not sufficiently protected by a fixed valuation

not lower than $1.75 per pound, f.o.b. Shipper's warehouse."

Then, the 27th of December 1925, there is a Bulletin (Issue, 4129, specifying Sale Commodity) quoting along with others

THE WITNESS: In so far as it refers to cotton fabrics and artificial silks, as applied to countries not under the general tariff, to which we give most favoured nation treatment.

BY MR. MACDONALD: Q. So it is still in effect under the general tariff? A. Yes

THE COMMISSIONER: Who would the general tariff effect in regard to cottons?

MR. MACDONALD: Germany, I suppose, no matter-- mostly.

THE WITNESS: No, you do not get tweed pantings from there nor do I think any would come from China. I do not think it would effect any importations at the present time.

MR. MALIN GORDON: Switzerland?

THE WITNESS: No, I do not think you would get these fabrics from Switzerland.

BY MR. MACDONALD: Q. Then referring to this letter of June 10, 1922, it does not apply to cotton fabrics, but it did apply to artificial silk fabrics. You will remember the history connected with that? A. Yes.

Q. A firm known as the Dover silks, was it not? A. Yes.

Q. Made application to the department that they

[illegible]

or $1.25 a pound on this particular type of artificial silk? A. Yes.

Q. So a sample was sent in to the department, and this ruling was made that under section 38, subsection 2, the value of this type of artificial silk was to be $1.75 per pound? A. Yes.

Q. For the purposes of valuation for duty. And how long did that remain in effect, do you know? A. I do not know whether it is cancelled yet.

Q. You do not know whether it is cancelled yet or not. You are aware of the fact that -- A. I know they are cancelled, they went out of business.

MR. KELLOCK: What type of artificial silk fabric did that apply to?

THE WITNESS: It is for casket linings. I should explain that from investigations made in the United States prior to that time the values contained in there were not higher than the home market selling price in the United States. They did not know very much about the workings of the department I would say, and it was not necessary to have used that letter or to have gone into it at all because they did not find any importations were coming in at less than $1.75 I believe.

BY MR. McRUER: Q. They were being laid down here for less? A. They were not being entered for duty at less than $1.75. Though the August Bulletin called for $1.75, we would permit entry at $1.25.

EXHIBIT 847: Appraisers' Bulletins, Nos. 4459 3789, and Departmental letters.

of $1.25 a pound on this particular type of artificial silk?

A. Yes.

Q. So a sample was sent in to the department, and this ruling was made that under section 56, subsection 2, the value of this type of artificial silk was by $1.75 per pound?

A. Yes.

Q. For the purposes of valuation for duty. And how long did that remain in effect, do you know?

A. I do not know whether it is cancelled yet.

Q. You do not know whether it is cancelled yet or not. You are aware of the fact that --

A. I know they are cancelled, they went out of existence.

Mr. McLOOK: What type of artificial silk fabric did that apply to?

Mr. WILKINS: It is for basket linings. I should explain that from investigations made in the United States prior to that time the values contained in there were not higher than the home market selling price in the United States. They did not know very much about the workings of the department I would say, and it was not necessary to have read that letter or to have gone into it at all because they did not find any importations were coming in at less than $1.75 I believe.

BY Mr. COLDER: Q. They were being laid down here for less? A. They were not being entered for duty at less than $1.75. Through the Annual Bulletin called for $1.75, we would permit entry at $1.85.

MR. KNIGHT SAY: Superintendent Bulletins, Nos. 4444, 4444, and Departmental Letters.

MR. McRUER: The next is a departmental letter dated August 1[illegible], 1932, in regard to the value of cotton fabrics woven from dyed yarns. It reads as follows:

"Collector of National Revenue,
Customs Division,

Subject: Value of cotton fabrics woven from dyed yarns of more than one colour, such as denims and chambrays.

- - - - - - - - - - - - - - - - - - - -

Sir:-

From information before the Department, and pending any further necessary investigation, cotton fabrics woven from dyed yarns of more than one colour, such as denims and chambrays, when imported from the U.S.A., may be appraised under Section 36, subsection 2, of the Customs Act as follows:

1st Goods weighing 2.50 square yards per pound, or heavier . . . . . 22¾ cents per pound

2nd Goods weighing lighter than 2.50 square yards per pound, but not lighter than 4.00 square yards per pound . . . . . 33 cents per pound

3rd Goods weighing lighter than 4.00 square yards per pound .. 36 cents per pound

The above values are f.o.b. factory, and are effective from even date.

For your information, the above values are predicated on a price of raw spot cotton at New York of 7 cents per pound, and for each

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Mr. McLean: The next is a departmental letter dated August 14, 1919, in regard to the value of cotton fabrics woven from dyed yarns. It reads as follows:

"Canadian Customs Tariff
Customs Division,

Subject: Value of cotton fabrics woven from dyed yarns of more than one colour, such as denims and ginghams.

- - - - - - - - - - - - - - - - - - - -

Sir:-

From information before the Department, and pending any further necessary investigation, cotton fabrics woven from dyed yarns of more than one colour, such as denims and ginghams, when imported from the U.S.A., may be appraised under Section 36, subsection 2, of the Customs Act as follows:

1st Goods weighing 2.50 square yards per pound, or heavier . . . . . 22½ cents per pound

2nd Goods weighing lighter than 2.50 square yards per pound, but not lighter than 4.00 square yards per pound . . . . . 25 cents per pound

3rd Goods weighing lighter than 4.00 square yards per pound . . 26 cents per pound

The above values are f.o.b. factory, and are effective from even date.

For your information, the above values are predicated on a price of 7½ spot cotton at New York of 7 cents per pound, and for each

one cent per pound variation from this raw cotton price, a correction of 1.2 cents per pound or the fabric to be appraised may be applied.

Advise all known importers immediately of the provisions of this ruling."

Q. Then attached to that is a cancellation, is it, Mr. Hooper? A. Yes.

Q. Dated February 24, 1934. It reads as follows:

Referring to Departmental Letter of the 14th April, 1932, file 142705, in respect to value for duty of cotton fabrics woven from yarns of more than one colour, such as denims and chambrays when imported from the United States,-

You are advised that the values contained therein are herewith cancelled."

This is dated August 13, 1932. The first Appraisers' Bulletin we dealt with went out on April 7, 1932? A. April 7, 1932.

Q. Would it cover these items that are mentioned in this letter? A. No.

Q. This is in addition to the Bulletin of April 7 and the Bulletin of September 7, 1932? A. Yes. These are yarn dyed fabrics while the other fabrics provided for in the pamphlet are grey goods.

EXHIBIT 848: Appraisers' Bulletin No.4166 and Departmental Letter.

one cent per pound variation from this two cotton price, a correction of 1.2 cents per pound of the fabric to be appraised may be applied.

Value all known importers immediately or the provisions of this ruling."

Q. Then attached to that is a cancellation, is it, Mr. Hooper? A. Yes.

A. Dated February 23, 1934. It reads as follows:

Referring to departmental letter of the 14th April, 1932, File 142/05, in respect to value for duty of cotton fabrics woven from yarns of more than one colour, such as denims and chambrays when imported from the United States,-

You are advised that the values contained therein are herewith cancelled."

This is dated August 1, 1932. The first informations bulletin we dealt with went out on April 7, 1932.

A. Yes, I know.

Q. Would it cover these items that are mentioned in this letter? A. No.

Q. This is in addition to the bulletin of April 7 and the bulletin of September 7, 1932?

A. Yes. Necessary from time to time with the other bulletins provided for in the regulations are very scarce.

Exhibit [illegible] - Departmental bulletin bearing date and departmental letter.

MR. McRUER: With regard to the last Exhibit, 848, my lord, there is a mistake in the typewriting, the date of the Departmental Letter is shown as the 13th August, 1932; it should have been 14th April, 1932.

BY MR. McRUER: Q. The next Exhibit that you produce, Mr. Hooper, deals with denim.

THE COMMISSIONER: Is that a comparative statement?

MR. McRUER: Yes, my lord, it is a comparative statement dealing with denim. This is material for overalls, is it not Mr. Hooper, and smocks and things of that sort?

THE WITNESS: Yes.

MR. McRUER: This Exhibit deals with Denim, White Back, 1,000 yards, 2.20 yards per pound, yarn dyed. This seems to be a fairly heavy type of material.

THE WITNESS: There are two samples attached.

MR. KELLOCK: Both Canadian?

THE WITNESS: One is American, the other Canadian.

THE COMMISSIONER: This will be Exhibit 849.

EXHIBIT 849: Comparative statement dealing with Denim, White Back, with two samples attached.

MR. McRUER: Referring to Exhibit 849, prior to September 30 there was no specific duty. The ad valorem duty on these goods amounted to 30 per cent, and in September 1930 the ad valorem duty was increased to 32½ per cent, with a specific duty of 4 cents. Is that 4 cents a yard or a pound?

THE WITNESS: 4 cents a pound.

BY MR. McRUER: Q. Any change in the method of valuation?

A. Discount was not allowed after

MR. MONDER: With regard to the last Exhibit, 648, my lord, there is a mistake in the typewriting, the date of the Departmental Letter is shown as the 15th August, 1922; it should have been 14th April, 1922.

BY MR. MONDER: Q. The next Exhibit that you produce, Mr. Hooper, deals with denim.

THE COMMISSIONER: Is that a comparative statement?

MR. MONDER: Yes, my lord, it is a comparative statement dealing with denim. This is material for overalls, is it not Mr. Hooper, and smocks and things of that sort?

THE WITNESS: Yes.

MR. MONDER: This Exhibit deals with denim, white duck, 1,000 yards, 2.20 yards per pound, yarn dyed. This seems to be a fairly heavy type of material.

THE WITNESS: There are two samples attached.

MR. [illegible]: Both [illegible]?

THE WITNESS: One is American, the other Canadian.

THE COMMISSIONER: This will be Exhibit 649.

EXHIBIT 649: Comparative statement dealing with Denim, White Duck, with two samples attached.

MR. MONDER: Referring to Exhibit 649, prior to September 30 the e was no specific duty. The ad valorem duty on these goods amounted to 30 per cent, and in September 1930 the ad valorem duty was increased to 32½ per cent, with a specific duty of 4 cents. Is that 4 cents a yard or a pound?

THE WITNESS: 4 cents a pound.

BY MR. MONDER: Q. Any change in the method of valuation?

A. Discount was not allowed prior

September.

BY THE COMMISSIONER: Q. The earlier discrepancies between the other and it are due to the discount? A. Yes, my lord.

BY MR. McRUER: Q. It was $170 for this piece, and the value for duty on June 14, 1929, was $165.35. A. The increase in this case is approximately 60 per cent.

Q. The amount of duty payable on this piece of overalling on July 9, 1930, would have been $36.56, and on September 23, 1930, when it was selling at the same price in the United States the duty would have been $58.81.

Then to come down to date, if it were selling at $125, on January 2, 1936, what would the duty have been? I just want to get the position we are in now.

MR. KELLOCK: There was a change in duty.

THE WITNESS: We will work out that $125 at 27½ per cent. The ad valorem is $34.37, and the specific duty $15.91 and the excise $4.96, or a total of $55.24.

BY THE COMMISSIONER: Q. As of today? A. As of January 2.

BY MR. McRUER: Q. It would be the same as of today? A. Yes, if the goods had been selling at $125.

THE COMMISSIONER: $55.24 as of today.

MR. McRUER: As against $36.56 in 1930. Then this Departmental Letter that we read, dated April 14, 1932, can we get the effect of that? We should be able to get that.

September.

BY THE COMMISSIONER: Q. The smaller dues
also increase our salary and it also has a tendency
A. Yes, my lord.

BY MR. MOUNT: Q. It was first put into
and the value for duty on June 16, 1920, was
A. The increase in this duty is proportionately
cent.

Q. The prices of such goods in duty free
controlled on July 1, 1920, would have been
had no increase in duty. Then, if the selling
same price as the duty free value, the duty would have
been $58.21.

Then to come down to date, if it were selling
at duty, on January 2, 1920, what would the duty
have been? I just want to get the position we are
in now.

MR. MILLS, K.C.: There was a change in duty.

THE COMMISSIONER: We will work out that duty at
the old rate, the ad valorem is $24.27, and the
specific duty $18.21 and the excise $4.95, or a
total of $35.24.

BY THE COMMISSIONER: Q. As of today?

A. As of January 2.

Q. It would be the same as
of today? A. Yes, if the goods had been
selling at $125.

THE COMMISSIONER: $35.24 as of today.

MR. MOUNT: As against $20.20 in 1920. Then
a proportional increase that -- [illegible]
[illegible] to get the effect of that. We should be
able to get that.

THE WITNESS: Yes, take August 22.

BY THE COMMISSIONER: Q. August 22, 1932? That is where the dumping duty begins, and it runs down and includes May 12, 1933, seven items?

A. I should like to point out now that the value for duty on August 10 would be the same as is shown here for August 22. You have taken that letter to read "13th August". The values shown inhere for the 3rd and 4th of August are in error.

Q. They are in error? A. Yes, my lord.

Q. Then we had better change them. Where is the error? You spoke of 1932? A. 1932.

Q. Where is the error? A. The appraisal at that time would have been higher than the invoice value.

Q. The invoice value was $80? A. The invoice value was $80.

Q. In Canadian funds the value was $91.98, and the value for duty $91.98. Would the value in Canadian funds remain as it is, $91.98 ? A. No, my lord, it would be higher than that.

Q. Then there is a mistake made in calculating the effect of the currency exchange rate.

MR. McRUER: That is due to the error in the date of the letter. Mr. Hooper has just discovered that the letter which we filed a few moments ago is dated August, and it ought to have been dated April.

MR. BALLANTYNE: That would not change the currency rate.

THE WITNESS: No, it changes the value for duty.

BY THE COMMISSIONER: Q. Will $91.98, value Canadian funds, remain there as it is? A. The

BY THE COMMISSIONER: Q. August 22, 1922? That is where the dumping duty begins, and it runs down and includes May 16, 1922, seven items:

A. I should like to point out now that the value for duty on August 10 would be the same as is shown here for August 22. You have taken that letter to read "10th August". The values shown there for the 3rd and 4th of August are in error.

Q. They are in error? A. Yes, my lord.

Q. Then we had better change them. Where is the error? You spoke of 1922? A. 1922.

Q. Where is the error? A. The appraisal at that time would have been higher than the invoice value.

Q. The invoice value was what? A. The invoice value was $80.

Q. In Canadian funds the value was $93.90, and the value for duty $91.98. Would the value in Canadian funds remain as it is, $91.98? A. No, my lord, it would be higher than that.

Q. Then there is a mistake made in calculating the effect of the currency exchange rate.

MR. MONTGOMERY: That is due to the error in the date of the letter. Mr. Hooper has just discovered that the letter which we filed a few moments ago is dated August, and it ought to have been dated April.

MR. BALLANTYNE: That would not change the currency rate.

THE WITNESS: No, it changes the value for duty.

BY THE COMMISSIONER: Q. With $91.98, value Canadian funds, remain there as it is? A. The

value in Canadian funds remains there.

Q. And the value for duty is increased? A. It should be $112.67.

Q. Then this dumping duty did affect that item? A. Yes.

Q. And it runs up to how much? A. The value for duty should be $112.67.

BY MR. McRUER: Q. It was really the appraisal that brought it up to that? A. Yes.

Q. You can make the corrections that are necessary on these two items, Mr. Hooper. A. I can give it to you now, if you would like to have it.

by the commissioner: Q. It also affects the item of August 10 ? A. Yes.

Q. How much would that be? It is stated here as $97.72. A. That should be approximately $120. It would be slightly higher than August 22 on account of the currency exchange rate being higher. I think it would be better if I changed these afterwards.

Q. Yes, because the thing will have to be changed all the way through. A. I will do that.

MR. KELLOCK: Do I understand that the date of this letter in Exhibit 848 ought to be April 14 instead of August 13 ?

THE WITNESS: Yes.

MR. KELLOCK: What is the significance of that date on this Exhibit, April 14, 1932 ?

THE WITNESS: That is the excise.

MR. McRUER: The increase was one per cent to three.

BY MR. McRUER: Q. The next statement you produce, Mr. Hooper, is a comparative statement of

value in Canadian funds remains there.

Q. And the value for duty is increased?

A. It would be $112.67.

Q. Then this dumping duty did affect that item?

A. Yes.

Q. And it runs up to how much? A. The value for duty would be $112.67.

BY MR. MCNULT: Q. It was really the appraisal that brought it up to that? A. Yes.

Q. You see these corrections that are necessary in these two items, Mr. Hooper. A. I can give it to you now, if you would like to have it.

By the commissioner: Q. It also affects the item of August 10? A. Yes.

Q. How much would that be? It is stated here as $97.72. A. That should be approximately $120. It would be slightly higher than August 22 on account of the currency exchange rate being higher. I think it would be better if I changed these afterwards.

Q. Yes, because the thing will have to be changed all the way through. A. I will do that.

MR. [illegible]: Do I understand that the date of this letter in Exhibit 848 ought to be April 14 instead of March 12?

[illegible]: Yes.

MR. KELLOCK: What is the significance of that date on this Exhibit, April 14, 1922?

THE WITNESS: That is the error.

MR. MCNULT: The increase was one per cent to three.

BY MR. MCNULT: Q. The next statement you produce, Mr. Hooper, is a comparative statement of

mill spreads, Canadian and American mills, on the fabrics we have just been dealing with? A. Yes.

THE COMMISSIONER: That will be Exhibit 850.

EXHIBIT 850: Comparative Statement of Mill Spreads, Canadian and American, on White Back Denim.

BY MR. McRUER: Q. The fabric you are dealing with here, white back denim, was one manufactured by Canadian Cottons, was it not? A. Yes.

Q. And these are the mill spreads of Canadian Cottons mills? A. Yes.

Q. The mill spread July 10, 1930, was 19.79¢, and on September 26, 1930, it was 25.53¢. That seems to be the biggest jump it had taken at any time. A. That is about 2-5/8 cents a yard.

Q. 2-5/8 cents a yard. The next is a statement in regard to another type of denim, what is called denim, red back, 2.60 yards per pound, with two samples attached.

THE COMMISSIONER: That will be Exhibit 851.

EXHIBIT 851: Statement respecting Denim, Red Back, Yarn Dyed, with two samples attached.

BY MR. McRUER: Q. Referring to Exhibit 851, the specific duty appears to amount to about half of the ad valorem duty. It runs pretty close to an average of half the ad valorem duty. On September 23, 1930, the ad valorem duty amounted to $35.75, and the specific duty to $15.38; December 29, 1930, $32.50 and $15.38; January 3, 1931, $33.31 and $15.38; February25, $34.94 and $15.38; June 24, $30.88 and $15.38; September 10, $27.63 and $15.38. Then from April 7, 1932, the ad valorem goes up to $43.88.

mill spreads, Canadian and American mills, on the fabrics we have just been dealing with? A. Yes.

THE COMMISSIONER: That will be Exhibit 850.

EXHIBIT 850: Comparative Statement of Mill spreads, Canadian and American, on white back denim.

BY MR. MACDONALD: Q. The fabric you are dealing with now, white back denim, was not manufactured in Canadian Cottons, was it not? A. Yes.

Q. And these are the mill spreads of Canadian Cottons mills? A. Yes.

Q. The mill spread July 10, 1930, was 19.79¢, and on September 26, 1930, it was 25.38¢. That seemed to be the highest item at that place at any time.

A. That is about 2-5/8 cents a yard.

Q. 2-5/8 cents a yard. The next is a statement in regard to another type of denim, blue in ballen denim, red back, 2.60 yards per pound, with two samples attached.

THE COMMISSIONER: That will be Exhibit 851.

EXHIBIT 851: Statement regarding Denim, Red Back, Yarn Dyed, with two samples attached.

BY MR. MACDONALD: Q. Referring to Exhibit 851, the specific duty appears to amount to about half of the ad valorem duty. It runs pretty close to an average of half the ad valorem duty. On September 26, 1930, the ad valorem duty amounted to $25.75, and the specific duty to $15.38; December 29, 1930, $22.50 and $15.38; January 3, 1931, $22.81 and $15.38; February 25, $24.94 and $15.38; June 24, $20.86 and $15.38; September 10, $27.60 and $15.38. Then from April 7, 1932, the ad valor m rose up to $42.88.

But that is due to a very drastic rise in the selling price. The selling price jumps from $85 to $135 in the United States, and in Canada it jumps from $128.75 to $172.50.

MR. KELLOCK: That is in three years?

MR. McRUER: Yes.

THE WITNESS: The American cloth was withdrawn from sale from October 1931 to June 1934 by the company I got this information from.

BY MR. McRUER: Q. This fabric seems to be selling on the last date recorded on the statement January 7, 1936, at $168.75 as against $156.25 in July 1930, while the raw cotton was lower in January 1936 than it was in 1930 by about 1½ cents a pound, and we have evidence that the wages have been down.

Now we have the mill spreads, on this fabric, my lord.

THE COMMISSIONER: That will be Exhibit 852.

EXHIBIT 852: Statement of mill spreads, Red Back Denims, Yarn Dyed Fabric.

BY MR. McRUER: Q. Referring to Exhibit 852 we have not got the mill spread in January 1936, have we? A. Those prices were not changed in January 1936.

Q. They were selling the same as in November 1935? A. Yes.

Q. I see.

MR. BLAIR GORDON: Cotton would have changed a little bit.

THE WITNESS: Yes. I mean the spread was the same.

But that is due to a very drastic rise in the selling price. The selling price jumps from $85 a bale in the Valley season, and in Grade 41 jumps from $128.75 to $165.00.

MR. ALLCOCK: That is in three years?

MR. MCRUER: Yes.

THE WITNESS: The American cloth was withdrawn from sale from October 1951 to June 1954 by the company I got this information from.

BY MR. MCRUER: Q. This fabric seems to be selling on the last date recorded on the statement January 7, 1956, at $156.75 as against $156.25 in July 1950, while the raw cotton was lower in January 1956 than it was in 1950 by about 1½ cents a pound, and we have evidence that the wages have been down.

Now we have the mill spreads, on this fabric, my lord.

THE COMMISSIONER: That will be Exhibit 85.

EXHIBIT 85: Statement of mill spreads, Red Burr Denim, Yarn Dyed Fabric.

Q. Therefore in Exhibit 84 we have not the mill spread in January 1956, have we? A. Those prices were not changed in January 1956.

Q. They were selling the same as in November 1955? A. Yes.

Q. I see.

MR. BRIAN COOPER: Cotton would have changed a little bit.

THE WITNESS: Yes. I mean the spread was the same.

BY MR. McRUER: Q. Comparing July 10, 1930 with November 18, 1935, and you say there was no change in the selling price between November 1935 and January 1936, the mill spread in July 1930, was 21.55¢, and in November 1935 25.26¢. A. Raw cotton was the same on the 2nd of January as is shown on the 18th of November.

Q. Yes. At any rate, a month or so does not make any difference. The mill spread seems to have been increased on this fabric from July 1930 to November 1935 by nearly four dollars (cents?). A. I did not take any of the period in between.

Q. No, I am taking what the net result has been up to date.

MR. BALLANTYNE: In July 1930 the selling price was -- I am referring to Exhibit 851 -- $156.25.

MR. McRUER: Yes.

MR. BALLANTYNE: And you compared that with the price in 1936 and pointed out that there was a slightly lower --

MR. McRUER: Lower raw cotton, but the price was higher.

MR. BALLANTYNE: It is interesting if you compare that with the spread in July 1930, which was at the low point, compared with, say, 21.5, and then see that the selling price of $156.25, on Exhibit 851, was higher than the laid down value of the American goods, which seems to indicate that at that particular time both the price and the spread were too low to permit a profit.

BY MR. MORDEN: Q. Commencing July 10, 1930 with November 18, 1925, and you say there was no change in the selling price between November 1925 and January 1926, the mill spread in July 1930, was 21.35¢, and in November 1925 25.86¢. A. New cotton was the same on the 2nd of January as is shown on the 18th of November.

Q. Yes. At any rate, a month or so does not make any diff rence. The mill spread seems to have been increased on this ferm'e from July 1930 to [illegible] so [illegible] MR. ALLEN (Quebec):

A. I did not take any of the period in between.

Q. No, I am taking what the net result has been up to date.

MR. BALLANTYNE: In July 1930 the selling price was -- I am referring to Exhibit 851 -- $156.85.

MR. MORDEN: Yes.

MR. BALLANTYNE: And you compared that with the price in 1926 and pointed out that there was a slightly lower --

MR. MORDEN: Lower raw cotton, but the price was higher.

MR. BALLANTYNE: It is interesting if you compare that with the spread in July 1930, which was at the low point, compared with, say, 21.5, and then see that the selling price of $156.85, on Exhibit 851, was higher than the land cost value of the American goods, which seems to indicate that at that particular time both the price and the spread were too low to permit a profit.

MR. McRUER: I did not understand that the tariff increases were put on to make profits for the company.

MR. BALLANTYNE: I am not arguing that. I do not care particularly, but what you pointed out was that in 1926, with slightly lower cotton, the price was higher than in 1930, and I took the next Exhibit and saw that the 1930 spread in July was 21.55, which appears to be the lowest margin that they operated on. That is what I wanted to draw your attention to.

MR. McRUER: Oh yes that may be. It is certainly the lowest margin they operated on between that time and now, and back as far as April 2, 1929.

The next Exhibit deals, my lord, with chambray.

THE COMMISSIONER: It is a comparative statement?

MR. McRUER: Yes, dealing with chambray, 36" 3.20 yards per pound, yarn dyed fabric, with two samples attached.

THE COMMISSIONER: That will be Exhibit 853.

EXHIBIT 853: Comparative statement on chambray, 3.20 yards per pound, with two samples attached.

BY MR. McRUER: Q. Referring to Exhibit 853 the Canadian prices shwn here are the prices of Canadian Cottons mills, are they not Mr. Hooper? A. On the right hand side, yes. The only thing I want to mention here is that I want to change the price for July 9 and July 24, 1932. This fabric is also subject to appraisal under the provisions of Departmental Letter of April 14.

MR. HOOPER: I did not understand that the tariff increases were put on to make profits for the company.

MR. MACDONALD: I am not arguing that. I do not care artificially, but what you pointed out was that in 1926, with slightly lower cotton, the price was higher than in 1930, and I took the next Exhibit and saw that the 1926 spread in July was 21.35, which appears to be the largest margin that they operated on. That is what I wanted to draw your attention to.

MR. HOOPER: Oh yes that may be. It is certainly the lowest margin they operated on between that time and now, and been so far as April 2, 1930.

The next Exhibit deals, my lord, with osnaburg.

THE COMMISSIONER: It is a comparative statement.

MR. HOOPER: Yes, dealing with osnaburg, 36" 5.50 yards per pound, yarn dyed fabric, with two selvedges attached.

THE COMMISSIONER: That will be Exhibit 830.

MACDONALD: Comparative statement on osnaburg, 5.50 yards per pound, with two selvedges attached.

BY MR. HOOPER: Q. Referring to Exhibit 830 the comparative prices given here are the prices of Canadian Cotton mills, are they not Mr. Hooper? A. On the right hand side, yes. The only thing I want to mention here is that I went to arrange the prices for July 9 and July 24, 1929. This tariff is also subject to apparently under the provisions of supplemental letter of April 14.

Q. You will fix those up, and let us have the statement in corrected form on Monday, Mr. Hooper? A. Yes.

Q. Will your mill spreads have to be changed? A. No.

MR. McRUER: The next is a comparative statement on mill spreads dealing with the fabric mentioned in Exhibit 853.

THE COMMISSIONER: This will be Exhibit 854.

EXHIBIT 854: Comparative statement of mill spreads, Canadian and American, on chambray.

MR. McRUER: The next statement deals with flannelette, 27", 600 yards per pound, a piece of bleached flannelette, with samples.

THE COMMISSIONER: This will be Exhibit 855.

EXHIBIT 855: Statement dealing with Flannelette, 600 yards per pound, bleached fabric.

BY MR. McRUER: Q. The fabric dealt with in this Exhibit 855, Mr. Hooper, was subject to appraisal under the bulletin contained in Exhibit 847? A. Yes.

Q. How long was it subject to appraisal under that Bulletin? A. From December 12, 1931, until January 1, 1936.

Q. And that Bulletin is cancelled practically? A. 847, there was a time from July 27, 1933, when the price had risen in the United States above those provided for in the Bulletin.

Q. What is the date of the Bulletin in Exhibit 847? A. December 12, 1931.

Q. You will fix those up, and let us have the statement in corrected form on Monday, Mr. Hooper?

A. Yes.

Q. Will your will spreads have to be changed?

A. No.

MR. MORDEN: The next is a comparative statement on mill spreads dealing with the fabric mentioned in Exhibit 555.

THE COMMISSIONER: This will be Exhibit 556.

EXHIBIT 556: Comparative statement of mill spreads, Canadian and American, on Gingham.

MR. MORDEN: The next statement deals with flannelette, 27", 500 yards per pound, a piece of bleached flannelette, with samples.

THE COMMISSIONER: This will be Exhibit 557.

EXHIBIT 557: Statement dealing with flannelette, 500 yards per pound, bleached fabric.

BY MR. MORDEN: Q. The fabric dealt with in this Exhibit 555, Mr. Hooper, was subject to cancelled under the bulletin contained in Exhibit 547? A. Yes.

Q. How long was it subject to cancelled under that Bulletin? A. From December 12, 1921, until January 1, 1926.

Q. And that Bulletin is cancelled practically? A. 547, there was a time from July 27, 1926, when the price had risen in the United States above those provided for in the bulletin.

Q. Was it the Tariff Bulletin in January 1927? A. [illegible] 1, 1927.

Q. Let us see what happened on December 12, 1931. We have January 1931. A. The first price is February 1932.

Q. The value in Canadian funds was On February 17, 1932, $60.11, and the value for duty $73.33. A. Yes.

Q. The specific duty remained the same and the excise, so that although this article had dropped in the United States from $75 to $52.50 between January 31, 1931, and February 17, 1932, it paid practically the same ad valorem duty, $20.17 as against $20.63 on the former date? A. Yes. You will notice a difference here in this schedule. The other values were in American funds. In this case we have it in Canadian funds. That is why you see a repetition of ~~$17x33x~~ $73.33.

Q. I see. The $73.33 was the fixed valuation, A. In Canadian funds.

Q. So it runs all through. A. It runs all through.

Q. The present situation in regard to this fabric is that it is subject to an advalorem duty of 22½ per cent and a specific duty of 3½ cents, and excise tax of 3 per cent ? A. That is right.

Q. Would you please give me the duty that would be payable if the fabric was selling at the same price as in January 1930. In January 1930 the duty was $21.33, at 25 per cent ad valorem? A. The ad valorem would be $19.69, the specific $5.83, excise $3.39, or a total of $28.91.

Q. As against $21.33?

MR. KILLOCK: What is that last date?

Q. Let us see what happened on December 12, 1921. We have January 1921. A. The first price in February 1922.

Q. The value in Canadian funds was on February 17, 1922, $20.11, and the value for duty $14.22. A. Yes.

Q. The specific duty remained the same and the excise, so that although this article had risen in the United States from $25 to $32.50 between January 21, 1921, and February 17, 1922, it paid practically the same ad valorem duty, $20.17 as against $23.66 on the former date? A. Yes. You will notice a difference here in this schedule. The other values were in American funds. In this case we have it in Canadian funds. That is why you see a repetition of ~~xxxxxx~~ $72.32.

Q. I see. The $72.32 was the fixed valuation.

A. In Canadian funds.

Q. So it runs all through. A. It runs all through.

Q. The present situation in regard to this article is that it is subject to an ad valorem duty of 22½ per cent and a specific duty of 8½ cents, and excise tax of 3 per cent? A. That is right.

Q. Would you please give me the duty that would be payable if the goods were selling at the same price as in January 1922. In January 1922 the duty was $21.66, at 25 per cent ad valorem? A. The ad valorem would be $18.09, the specific $3.55, excise $0.32, or a total of $22.31.

Q. As against $21.32?

Mr. McCUAIG: What is the last date?

MR. McRUER: Today, any day after the 1st of January, 1936.

BY THE COMMISSIONER: Q. Can you tell us what the duty would have been on this article when the rates were the highest? A. Leaving out the exchange factor?

Q. No, just the actual duty. A. The highest duty would be on August 10.

Q. In what year? A. 1933.

Q. Is August 10 down here? A. Yes, my lord. It would be $34.38. Of course there was a time when dumping duty would have raised it higher. We might give you that.

Q. That wouldbe the highest? A. It would be $40.83.

Q. When? A. March 16, 1933.

Q. You say March 16, 1933? A. Yes.

Q. That is at the same price? A. No, that is not at the same price.

MR. McRUER: We must use the same price to compare them.

THE COMMISSIONER: If you do not, you do not get the p roper proportion.

THE WITNESS: I thought you meant the highest.

THE COMMISSIONER: No. Dealing with a certain article which on January 15, 1930, was selling at $87.50, and the duty then was $21.33, and today it would be -- A. $28.91.

Q. I assume you mean on the same value? A. On the same value, my lord.

Q. Of course you wont find the same value but you can find an approximate value, but if it is

MR. MONAHAN: Today, any day after the 1st of January, 1926.

BY THE COMMISSIONER: Q. Can you tell us what the duty would have been on this article when the rates were the highest? A. Leaving out the exchange factor?

Q. No, just the actual duty. A. The highest duty would be on August 19.

Q. In what year? A. 1922.

Q. In August 19 down here? A. Yes, my lord. It would be 36.38. Of course there was a time when dumping duty would have raised it higher. We might give you that.

Q. That would be the highest? A. It would be 40.85.

Q. When? A. March 15, 1922.

Q. You say March 15, 1922? A. Yes.

Q. That is at the same price? A. No, that is not at the same price.

MR. MONAHAN: We must use the same price to [illegible].

THE COMMISSIONER: If you do not, you do not get the proper proportion.

THE WITNESS: I thought you meant the highest.

THE COMMISSIONER: No. Dealing with a certain article which on January 15, 1920, was selling at $47.50, and the duty then was $21.25, and today it would be -- A. $28.31.

Q. I assume you mean on the same value?

A. On the same value, my lord.

Q. Of course you won't find the same value but you can find an approximate value, but I [illegible]

too much of a calculation do not bother.

A. $34.27.

THE COMMISSIONER: That is less.

MR. McRUER: It will be the ad valorem, 27½ per cent, and 4 cents specific, and 3 per cent excise.

THE WITNESS: I gave $28.91 for January provided the value was $87.50. If the value was $87.50 prior to January 1936 the duty collectible would have been $34.27.

BY THE COMMISSIONER: Q. What date? A. Any date prior to January 1936 and subsequent to August 25, 1932.

Q. It would have been how much ? A. $34.27.

Q. Yes, but then on another date, August 10, with a value for duty of $87.81 --

MR. McRUER: That was a mistake. He was not taking $87.50 when he figured it at $34.38.

THE WITNESS: No, I was giving the figure of August 10 with a value of $87.81. That makes the other example $34.

BY THE COMMISSIONER: Q. Then you go back to $87.50 -- A. And the result is $34.27.

Q. Which is just about the same thing?

A. There is only a difference of 31 cents in the value, and you have just to take that difference. There would only be a difference of 11 cents. It is one-third of 31 cents. I have not the mill spreads on these, Mr. McRuer. Do you want that?

MR. McRUER: We might as well have one made up, and we will reserve Exhibit 856 for the mill spreads on this fabric, my lord.

EXHIBIT 856: (Reserved for presentation later)

too much of a calculation do not bother.

A. $64.27.

THE COMMISSIONER: That is less.

MR. MONTER: It will be the ad valorem, 27½ per cent, and 4 cents specific, and 3 per cent excise.

THE WITNESS: I gave $38.91 for January provided the value was $87.50. If the value was $87.50 prior to January 1930 the duty collectible would have been $64.27.

BY THE COMMISSIONER: Q. What date? A. Any date prior to January 1930 and subsequent to August 25, 1929.

Q. It would have been how much? A. $64.27.

Q. Yes, but then on another date, August 10, with a value for duty of $87.81 --

MR. MONTER: That was a mistake. He was not taking $87.50 when he figured it at $54.38.

THE WITNESS: Q. I was dealing in figures on August 10 with a value of $87.81. That makes the other example $64.

BY THE COMMISSIONER: Q. Then you go back to $87.50 -- A. And the result is $64.27.

Q. Which is just about the same thing?

A. There is only a difference of 11 cents in the value, and you have just to take that difference. There would only be a difference of 11 cents. It is the -- difference of 11 cents. I have not the slide spread on there, Mr. Monter. Do you want that?

MR. MONTER: He might as well have one made up, and we will reserve Exhibit 836 for the slide spread on the table, my lord.

EXHIBIT 836: (Reserved for presentation later)

MR. McRUER: The next is an exhibit respecting cotton hosiery yarn, per 100 pounds, No. 30's Super. It is a comparative statement between English quotations and Canadian prices.

THE COMMISSIONER: With samples?

THE WITNESS: No, my lord.

THE COMMISSIONER: This will be Exhibit 857.

EXHIBIT 857: Comparative statement between English quotations and Canadian prices, cotton hosiery yarn.

BY MR. McRUER: Q. You show here again, on Exhibit 857, the raw cotton price, taking the Manchester spot raw cotton price, is that it ? A. Yes.

Q. You show the yarn price in the United Kingdom per 100 pounds in English currency.

MR. KELLOCK: In what form of package is that?

THE WITNESS: It is yarn cones. I have not used any packing charges in there.

BY MR. McRUER: Q. And you convert it into Canadian currency and show the ad valorem duty and specific duty if any? A. In the case of hosiery yarns there is none.

Q. All this ishosiery yarn? A. Yes.

Q. Oh yes, I overlooked that. And you show the excise tax ? A. And the invoice value and currency dumping duty, also the value including duty and excise tax; that is the invoice value plus currency, dumping duty plus excise tax, plus the ad valorem duty.

Q. The ad valorem duty in 1930 was 12½ per cent ? A. Yes.

MR. MORUNE: The next is an exhibit respecting cotton hosiery yarn, per 100 pounds, No. 20's Super. It is a comparative statement between English quotations and Canadian prices.

THE COMMISSIONER: With samples?

MR. MORUNE: Yes, my Lord.

THE COMMISSIONER: This will be Exhibit 857.

EXHIBIT 857: Comparative statement between English quotations and Canadian prices, cotton hosiery yarn.

BY MR. MORUNE: Q. You show here again, in Exhibit 857, the raw cotton price, taking the Manchester spot raw cotton price, is that it?

A. Yes.

Q. You show the yarn price in the United Kingdom per 100 pounds in English currency.

MR. MILLOUK: In what form of package is that?

THE WITNESS: It is yarn cones. I have not used any packing charges in there.

BY MR. MORUNE: Q. And you convert it into Canadian currency and show the ad valorem duty and specific duty if any? A. In the case of hosiery yarns there is none.

Q. All this hosiery yarn? A. Yes.

Q. Oh yes, I overlooked that. And you show the excise tax? A. And the invoice value and currency dumping duty, also the value including duty and excise tax; that is the invoice value plus currency, dumping duty plus excise tax, plus the ad valorem duty.

Q. The ad valorem duty in 1960 was 18½ per cent? A. Yes.

Q. It has not been changed since then. Is that correct? A. That is correct.

Q. The excise duty leviable now is 3 per cent A. No.

Q. No, the excise duty for some time was 3 per cent ? A. Yes.

Q. It was reduced to 1½, and now there is no excise duty. A. That is right.

BY THE COMMISSIONER: Q. There is no specific duty? A. There is no specific duty on hosiery yarns.

Q. So the only duty is the ad valorem duty? A. Yes, my lord.

BY MR. McRUER: Q. Which is the same now as it was in 1930? A. Yes.

MR. KELLOCK: Might we have the source of these English selling prices?

THE WITNESS: The Textile Weekly.

BY MR. McRUER: Q. Transportation costs are not included here ? A. No.

Q. So I think it might be a fair comment in comparing the laid down cost, less transportation costs, with the Canadian mill selling price, to say that the Canadian mill selling price has followed the imported article price pretty closely.

A. 2 cents a pound transportation charges.

Q. If you add transportation charges on to the English selling price you will come pretty close to the Canadian price.

The next is a comparative statement of cotton warp yarn per 100 pounds, comparison between English and Canadian prices.

Q. It has not been changed since then. Is that correct? A. That is correct.

Q. The excise duty levisble now is 5 per cent

A. No.

Q. No, the excise duty for some time was 5 per cent ? A. Yes.

Q. It was reduced to it, and now there is no excise duty. A. That is right.

Q. Have you an equivalent duty? A. There is no specific duty on woolen yarns.

Q. So the only duty is the ad valorem duty?

A. Yes, my lord.

BY MR. MORAN: Q. Which is the same now as it was in 1930? A. Yes.

MR. RANDOM: Might we have the source of

Lord Sydney Sonning Library

THE WITNESS: The Textile people.

BY MR. MORAN: Q. Transportation costs are not included here ? A. No.

Q. So I think it might be a fair comment in summing the landed cost, that transportation costs, also the Canadian mill selling price is why that the Canadian mill selling price has followed the imported article price more closely.

A. It costs a pound transportation charges.

Q. If you add transportation charges on to the Canadian selling price you will come pretty close to the imported price.

The next is a comparative statement of cotton warp yarn per 100 pounds, comparison between English and Canadian prices.

THE COMMISSIONER: With samples?

THE WITNESS: No samples, my lord.

THE COMMISSIONER: This will be Exhibit 858.

EXHIBIT 858: Comparative statement of English and Canadian prices cotton warp yarn.

BY MR. McRUER: Q. Referring to Exhibit 858, the duty payable in 1930 was 15 per cent ad valorem, and in September 1930 it became 15 per cent ad valorem plus 3 cents a pound specific less 10 per cent, which made an increase of 57 per cent on a value of $3.95. Then in June 1931 an excise tax of one per cent was put on, which in August 1932 was increased to 3 per cent, and in October 1932 the specific duty was reduced from 3 cents to 2 cents a pound. On April 19, 1934, the excise was reduced to 1½ per cent, and on March 25, 1935, the excise was removed. The next reduction is the abolition of the specific duty on May 2, 1936. A. It goes back to where it was in 1930.

Q. Back to where it was in 1930, right. That is all pretty clear. A. I should say that these Dominion Textile Company prices, Canadian company's selling prices, are not comparable with the English.

Q. Why? A. Because the quality in the Canadian mills is much higher. The yarns are superior to the English.

Q. The warp? A. The warp, yes.

MR. BLAIR GORDON: Tubes in each case?

THE WITNESS: Yes.

MR. BLAIR GORDON: In the warp yarn?

[illegible] also examine?

THE WITNESS: No examine, my Lord.

THE COMMISSIONER: This will be Exhibit D96.

EXHIBIT D96: [illegible] of English and Canadian prices cotton warp yarn.

Q. [illegible] to English [illegible], the duty payable in 1930 was 15 per cent ad valorem, and in September 1930 it became 15 per cent ad valorem plus 2 cents a pound specific less 10 per cent, which made an increase of 37 per cent on a value of $3.95. Then in June 1931 an excise tax of one per cent was put on, which in August 1932 was increased to 2 per cent, and in October 1932 the specific duty was reduced from 3 cents to 2 cents a pound. On April 19, 1934, the excise was reduced to 1½ per cent, and on March 28, 1935, the excise was removed. The next reduction is the abolition of the specific duty on May 2, 1935. A. It goes back to where it was in 1930.

Q. Back to where it was in 1930, right. That is all pretty clear. A. I should say that these Dominion Textile Company prices, Canadian company's selling prices, are not comparable with the English.

Q. Why? A. Because the quality in the Canadian mills is much higher. The yarns are superior to the English.

Q. The warp? A. The warp, yes.

MR. BLAIR GORDON: Types in each case?

THE COMMISSIONER: Yes.

MR. BLAIR GORDON: In the warp yarn?

THE WITNESS: Yes.

MR. McRUER: Next is a statement of mill spreads on English cotton yarns in the two exhibits that have just been dealt with, 857 and 858.

THE COMMISSIONER: What is that?

MR. McRUER: It shows the mill spreads on the material in the last two exhibits. They are both dealt with in this one statement.

THE COMMISSIONER: Mill spreads on the English only?

THE WITNESS: Yes, my lord, we have filed mill spreads on the Canadian mills.

BY MR. McRUER: Q. On the same yarns? A. We have it on No.30 hosiery.

THE COMMISSIONER: This will be Exhibit 859.

EXHIBIT 859: Statement of mill spreads, shown in pence per pound, on English cotton yarns.

MR. McRUER: Let us go back and get the exhibit numbers.

THE COMMISSIONER: It is exhibit 825, a comparative statement on cotton hosiery yarns, No.30.

MR. McRUER: I would ask the Secretary to make a note on Exhibit 859 that Canadian mill spreads on No.30 hosiery are shown on Exhibit 826 (825 (?)).

MR. GEOFFRION: Has the witness computed the exchange in making these comparisons?

THE WITNESS: You do not need that for mill spreads because the price of raw cotton takes into account the exchange because that is the price in England.

THE WITNESS: Yes.

MR. MONAHAN: Next is a statement of mill spreads on English cotton yarns in the two exhibits that have just been dealt with, 827 and 826.

THE COMMISSIONER: What is that?

MR. MONAHAN: It shows the mill spreads on the material in the last two exhibits. They are both dealt with in this one statement.

THE COMMISSIONER: Mill spreads on the English only?

MR. MONAHAN: Yes, or rather, on the Canadian mill spreads on the Canadian mills.

BY MR. MONAHAN: Q. On the same yarns?

A. We have it on No.60 hosiery.

THE COMMISSIONER: This will be Exhibit 829.

EXHIBIT 829: Statement of mill spreads, shown in pence per pound, on English cotton yarns.

MR. MONAHAN: Let us go back and get the exhibit numbers.

THE COMMISSIONER: It is exhibit 825, a comparative statement on cotton hosiery yarns, No.60.

MR. MONAHAN: I would ask the secretary to make a note on Exhibit 829 that Canadian mill spreads on No.60 hosiery are shown on exhibit 826 (825 (?)).

MR. CROSSFIELD: Has the witness computed the [illegible]

THE WITNESS: You do not need that for mill spreads because the price of raw cotton takes into account the exchange because that is the price in Canada.

MR. McRUER: I think what Mr. Geoffrion was meaning is that if you are comparing the English mill spread with the Canadian mill spread you will have to reduce them to the same currency.

THE WITNESS: Not if you are following the trend.

MR. McRUER: I mean that if you are comparing what the mill spread is in Canada with what it is in England you would have to convert it.

The next exhibit deals with -- just how would you summarize this, Mr. Hooper?

THE WITNESS: 41" Sateens in the grey.

THE COMMISSIONER: This will be Exhibit 860. It is a comparative statement?

THE WITNESS: Not comparative.

THE COMMISSIONER: Is it English or Canadian?

THE WITNESS: English. 41" Sateen in the grey 4.25 yards to the pound.

BY MR. McRUER: Q. That is cotton fabric, is it? A. Cotton fabric.

Q. No sample attached? A. No sample.

EXHIBIT 860: Statement respecting 41" Sateens, 4.25 yards per pound.

BY MR. McRUER: Q. Prior to September 1930 the tariff was 12½ per cent on this fabric? A. Yes.

Q. On September 17, 1930, it became 17½ per cent plus 3 cents per pound, less 10 per cent, so the net increase is 82.5 per cent? A. Yes.

Q. Then we have the excise increased to 3 per cent, and the specific duty is reduced on October 13, 1932, to 2 cents a pound, and then

MR. HOWARD: I take what the Chairman was meaning is that if you are converting the English mill spread with the Canadian mill spread you will have to reduce them to the same currency.

THE WITNESS: Not if you are following the trade.

MR. HOWARD: I mean that if you are converting what the mill spread is in Canada with what it is in England you would have to convert it.

The next exhibit deals with -- just how shall you summarize this, Mr. Hooper?

THE WITNESS: 41" sateens in the grey.

THE COMMISSIONER: This will be Exhibit 660. It is a comparative statement?

THE WITNESS: Not comparative.

THE COMMISSIONER: Is it English or Canadian?

THE WITNESS: English. 41" sateen in the grey 4.25 yards to the pound.

BY MR. MORAN: Q. That is cotton fabric, is it? A. Cotton fabric.

Q. No sample attached? A. No sample.

EXHIBIT 661: Statement respecting 41" sateens, 4.25 yards per pound.

BY MR. MORAN: Q. Prior to September 1930 the tariff was 18½ per cent on this fabric? A. Yes.

Q. On September 17, 1930, it became 17½ per cent plus 2 cents per pound. Less 10 per cent, so the net increase is 22.5 per cent? A. Yes.

Q. Then it says the British Preferential is 5 per cent, and the specific duty is reduced on November 13, 1932, to 2 cents a pound, and then

removed in May 1936 and the ad valorem was reduced from 17½ to 15 per cent, and is now 2½ per cent in excess of what it was in 1930. That is correct, is it not? A. No, it is the same now as it was before.

Q. It is 15 per cent now, and it was 12½ per cent in 1930. A. Pardon me, that is right.

MR. KELLOCK: Might ask Mr. Hooper where the English selling price was taken from?

THE WITNESS: From the same source, the Textile Weekly.

MR. KELLOCK: On the first sheet of Exhibit 860 you show on September 17, 1930, specific duty of 3 cents per pound and an increase of 82.5 per cent. Did you take into consideration less 10 per cent in arriving at that figure of 82.5 per cent?

THE WITNESS: Yes.

MR. McRUER: The next statement deals with another English fabric, 38" Twill in the grey, 2.6 yards per pound.

THE COMMISSIONER: It is English again?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: This will be Exhibit 861.

EXHIBIT 861: Statement respecting English Twill, 38", 2.6 yards per pound.

BY MR. McRUER: Q. Referring to Exhibit 861, the increase in 1930 on this fabric amounted to 91 per cent on the selling price at that time, and the rate of duty is still 2½ per cent higher than it was in 1930? A. Yes.

removed in May 1930 and the ad valorem was reduced from 17½ to 15 per cent, and is now 2½ per cent in excess of what it was in 1930. That is correct, is it not? A. No, it is the same now as it was before.

Q. It is 15 per cent now, and it was 12½ per cent in 1930. A. Pardon me, that is right.

MR. MACLOCK: Might ask Mr. Hooper where the English selling price was taken from?

THE WITNESS: From the same source, the Textile Weekly.

MR. MACLOCK: On the first sheet of Exhibit 860 you show on September 17, 1930, specific duty of 2 cents per pound and an increase of 82.5 per cent. Did you take into account erosion less 10 per cent in arriving at that figure of 82.5 per cent?

THE WITNESS: Yes.

MR. MORTON: The next statement deals with another English fabric, 56" Twill in the grey, 2.6 yards per pound.

THE COMMISSIONER: It is English again?

MR. MORTON: Yes, my lord.

THE COMMISSIONER: This will be Exhibit 861.

EXHIBIT 861: Statement respecting English Twill, 56", 2.6 yards per pound.

MR. MORTON: Q. Referring to Exhibit 861, the increase in 1930 on this fabric amounted to 91 per cent on the selling price at that time, and the rate of duty is still 2½ per cent higher than it was in 1930? A. Yes.

Q. Are these all your statements, Mr. Hooper?

A. Yes.

MR. McRUER: My lord, that finishes the exhibits I have ready from Mr. Hooper today, but there is one other matter I want to conclude.

Your Lordship will remember in reference to that Habutai silk matter that we read some correspondence, and one of the letters, I think it was a letter from Mr. Hallam, stated to the department that this silk was made in Canada and might be obtained from Grout's Limited and the Bruck Silk Mills Limited. I wrote to the Bruck Silk Mills a few days ago asking them for a statement of the amount of their production of Habutai silk since 1930, and I today received the following letter from them which I ask to file.

THE COMMISSIONER: What is the name of the company?

MR. McRUER: Bruck Silk Mills Limited.

THE COMMISSIONER: Where are they?

MR. McRUER: They are at Cowansville.

This letter from the Bruck Silk Mills, Cowansville, dated November 6, 1936, reads as follows:

"Royal Commission on the Textile Industry,
National Research Building,
Ottawa, Ont.

Attention - J. C. McRuer, Esq.

Gentlemen:-

Your letter of November 4th, regarding Habutai twill silk, has been referred here for reply.

Enclosed you will please find original of Mr. Hallam's circular on that subject,

Q. Are these all your statements, Mr. Hooper?

A. Yes.

MR. GRUBER: My Lord, that finishes the exhibits I have ready from Mr. Hooper today, but there is one other matter I want to complete.

Your Lordship will remember in reference to that imported silk matter that we read some correspondence, and one of the letters, I think it was a letter from Mr. Gillan, stated to the department that this silk was made in Germany and might be obtained from Grout's Limited and the Brown Silk Mills Limited. I wrote to the Brown Silk Mills a few days ago asking them for a statement of the amount of their production of imported silk since 1930, and I today received the following letter from them which I ask to file.

THE COMMISSIONER: What is the name of the company?

MR. GRUBER: Brown Silk Mills Limited.

THE COMMISSIONER: Where are they?

MR. GRUBER: They are at Cowansville.

This letter from the Brown Silk Mills, Cowansville, dated November 6, 1936, reads as follows:

"Royal Commission on the Textile Industry,
National Research Building,
Ottawa, Ont.

Attention - E. C. Mooney, Esq.

Gentlemen:-

Your letter of November 4th, regarding Imported Twill Silk, has been referred here for reply.

Enclosed you will please find copy of our "Silkline" Directory of Twill Silks.

dated March 6th, 1934, as well as copy of our reply dated March 14th, of the same year. No further communications were exchanged on that subject.

This company did not manufacture Habutai real silk twills; the sample submitted to Mr. D. Hallam, with our reply, is a twill fabric of similar appearance made from artificial silks. Such artificial silk twills were manufactured by us in large quantities and are still being made. Detailed production figures on those artificial silk twills can be specially compiled, and will be submitted if you advise us that your Commission requires it."

The correspondence enclosed is a letter from Douglas Hallam to Bruck Silk Mills, dated March 6th 1934, as follows:

"Dear Sirs:

Importers of Habutai Twill to be used in the manufacture of scarfs have raised the question as to whether this material, small sample attached, is of a class or kind produced in Canada.

We understand that the importers desire to bring this in from Japan without the currency dumping duty being applied.

Please advise us by return."

And the letter of the Bruck Silk Mills Limited to Douglas Hallam is dated March 14, 1934, and reads:

"Dear Sir,-

In response to your circular of March 6th,

dated March 6th, 1924, as well as copy of our reply dated March 14th, of the same year. No further communications were exchanged on that subject.

This company did not manufacture Mohatel real silk twills; the sample submitted to Mr. D. Hallam, with our reply, is a twill fabric of similar appearance made from artificial silks. Such artificial silk twills were manufactured by us in large quantities and are still being made. Detailed production figures on these artificial silk twills can be specially compiled, and will be submitted if you advise us that your Commission requires it."

The correspondence enclosed is a letter from Douglas Hallam to Brook Silk Mills, dated March 6th 1924, as follows:

"Dear Sirs:

Importers of Mohatel Twill to be used in the manufacture of mantles have raised the question as to whether this material, small sample attached, is of a class or kind produced in Canada.

We understand that the importers desire to bring this in from Japan without the currency dumping duty being applied.

Please advise us by return."

And the letter of the Brook Silk Mills Limited to Douglas Hallam is dated March 14, 1924, and reads:

"Dear Sir,-

we would advise that we are presently weaving twill fabrics in our mill here and we are enclosing a sample of it."

And there is a small sample attached.

THE COMMISSIONER: That will be Exhibit 862.

EXHIBIT 862: Correspondence respecting manufacture of Habutai silk in Canada, Bruck Silk Mills and Mr. Douglas Hallam.

BY MR. McRUER: Q. So, Mr. Hooper, had it been drawn to the attention of the department that the sample of Habutai twill that was manufactured by Bruck Silk Mills Limited was an artificial silk, would it have been considered that that sample at any rate was of a class or kind of Habutai real silk made in Canada? A. The department could not at least advise the inquirer that Bruck Silk Mills was a source of supply.

Q. They are two different fabrics in two different types, real silk and artificial silk. So that to write to the department and say that Bruck Silk Mills were manufacturing Habutai silk similar to the one inquired about would be rather misleading to the department, would it not? A. It is quite misleading.

-- Adjourned at 1 p.m., to resume on Monday at 10.30 a.m., November 9th, 1936.

---

we would advise that we are presently weaving twill fabrics in our mill here and we are enclosing a sample of it."

And there is a small sample attached.

THE COMMISSIONER: That will be Exhibit 862.

Further Exhibit: Correspondence regarding manufacture of textile fibre in Canada, Brook Silk Mills and Mr. Douglas Sellar.

BY Mr. McLEAN: Q. So, Mr. Hooper, had it been drawn to the attention of the department that the sample of Rabatel twill that was manufactured by Brook Silk Mills Limited was an artificial silk, would it have been considered that that sample at any rate was of a class or kind of Rabatel real silk made in Canada? A. The department could not at least advise the inquirer that Brook Silk Mills was a source of supply.

Q. They are two different fabrics in two different types, real silk and artificial silk. So that to write to the department and say that Brook Silk Mills were manufacturing Rabatel silk similar to the one inquired about was would be rather misleading to the department, would it not? A. It is quite misleading.

-- Adjourned at 1 p.m. to resume on Monday at 10.00 a.m., November 9th, 1936.

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S.Whiteley, Secretary,

EIGHTY-SIXTH DAY

(November 9, 1936)

Robert Brydie,
Official Reporter.

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

Appearances:

J.C. McRuer, K.C. and E. Beauregard, K.C.	Commission Counsel
J.P. Lanctot, K.C. and R.L. Kellock, K.C.	For Special Committee on Primary Textile Industries.
C.G. Heward, K.C. Aime Geoffrion, K.C. and C.T. Ballantyne,	For Dominion Textile Company.
S.G. Dixon, K.C.	For Courtaulds, Limited,
L.A. Forsyth, K.C.	For Canadian Celanese Limited, and Canadian Silk Products Limited.

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Ottawa, Ont.,
Monday, November 9,1936

-- The Commission resumed at 10.30 A.M.

--

GORDON HOOPER, examination resumed.

MR. McRUER: My lord, there was a number reserved for the mill spread on the 27 inch flannelette; it was 856, I think.

THE COMMISSIONER: Yes, what is it, spread on what?

MR. McRUER: Mill spread on the 27 inch flannelette.

BY THE COMMISSIONER: Q. It is just the English or is it both? A. No, it is the Canadian and American.

Q. The Canadian and American?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: What is it on?

MR. McRUER: The 27 inch Canadian flannelette.

THE COMMISSIONER: That is the one referred to in the previous exhibit?

MR. McRUER: Yes, my lord. Mr. Hooper states that the item under the Canadian mill spread, 17th of March, 1930 should be 44.94 instead of 24.94.

THE WITNESS: That is the third line, my lord, under the Canadian mill spread.

THE COMMISSIONER: Oh, the Canadian; 24.94 should be what? A. 44.94.

MR. McRUER: Will you let me see exhibit number -- let me see, it is 856, is it -- 855. While Mr. Rene is getting that we can go on and deal with the next one. I will have to come back to that. Now, my lord, I am proposing to deal with a series of exhibits

--- The Commission resumed at 10.30 A.M.

MR. MORDEN: My lord, there was a number reserved for the mill spread on the 27 inch flannelette; it was 855, I think.

THE COMMISSIONER: Yes, what is it, spread on what?

MR. MORDEN: Mill spread on the 27 inch flannelette.

BY THE COMMISSIONER: Q. It is just the English or is it both? A. No, it is the Canadian and American.

Q. The Canadian and American?

MR. MORDEN: Yes, my lord.

THE COMMISSIONER: What is it on?

MR. MORDEN: The 27 inch Canadian flannelette.

THE COMMISSIONER: That is the one referred to in the previous exhibit?

MR. MORDEN: Yes, my lord. Mr. Hooper states that the item under the Canadian mill spread, 17th of March, 1920 should be 44.94 instead of 24.94.

THE WITNESS: That is the third line, my lord, the Canadian mill spread.

[illegible]: Q. [illegible] be what? A. 44.94.

MR. MORDEN: Will you let me see exhibit number [illegible] let me see, it is 855, is it --- 855. While Mr. Morden is getting that we can go on and deal with the next one. I will have to come back to that. Now, my lord, I am proposing to deal with a series of exhibits

which refer to rayon yarns and fabrics. Just before I go into those, my lord, I would like to make a reference or two to exhibit number 855 and exhibit number 856. When was it the fixed valuation came into effect on the flannelette that is dealt with in exhibit 856? A. On the 12th of December, 1931.

Q. The 12th of December, 1931; that is not noted, that date is not noted on 855? A. No. Here is the first appraisals you have here on the 17th of February, 1932.

Q. The 17th of February, 1932; this item of the 17th of February, 1932 is subject to the appraisals? A. Yes.

BY THE COMMISSIONER: Q. Which one? A. The 17th of February, 1932.

BY MR. McRUER: Q. The one on the 25th of August, 1932 would be subject to the appraisals as well? A. Yes.

BY THE COMMISSIONER: Q. That is the appraisal under what section, again? A. Under section 36(2) of the Customs Act.

BY MR. McRUER: Q. I was talking about the fixed valuation; that was under 43? A. Oh, 43, yes, my lord. That is fixed at 40 and 44 cents a pound.

Q. Then, on the 10th of August, 1933, the fixed valuation would not be in effect at that time, would it, or was it? A. It was in effect but the values in the United States had gone up, and they were above the fixed valuation.

HEAD VALUE in terms terms and factors. That is

I go into those, my lord, I would like to make a reference or two to exhibit number 855 and exhibit number 856. When was it the fixed valuation came into effect on the flannelette that is dealt with in exhibit 855? A. On the 12th of December,

Q. The 12th of December, 1921; that is not the that date is not noted on 855? A. No. But is the first appraisals you have here on the 17th of February, 1922.

Q. The 17th of February, 1922; this item of the 17th of February, 1922 is subject to the appraisals?

A. Yes.

BY THE COMMISSIONER: Q. Which one?

A. The 17th of February, 1922.

BY MR. MORURR: . The one on the 25th of August

A. Yes.

BY THE COMMISSIONER: Q. That is the appraisal

A. Under section 25(2) of the Customs Act.

BY MR. MORURR: Q. I was talking about the fixed valuation; that was made 1927 A. Yes, my lord. That is fixed at 40 and 44 cents a pound.

Q. Then, on the 10th of August, 1925, the fixed valuation would not be in effect at that time would it, or was it? A. It was in effect but the values in the Customs Tariff go up, and then comes the fixed valuation

EXHIBIT NO. 856: Comparative statemnnt between Canada and United States as to mill spreads on flannelette.

BY MR. McRUER: Q. I will take the last item of 1935, October 24, 1935; the total duty payable was $22.56 -- A. Yes.

Q. And $6.67, and the excise $3.34? A. Yes.

Q. Those would be the total amounts that were assessed the importer by the government; that is correct, is it not? A. Yes.

Q. The sum of those would be -- just put them down, and give it to me, $22.56, $6.67 and $3.34? A. $34.57.

Q. $34.57?

MR. KELLOCK: $32.57.

BY MR. McRUER: Which is it? A. $22.56 -- Mr. Kellock must have the wrong figures.

Q. $6.67. A. Oh, $6.67, I have the wrong figure, $32.57.

Q. Referring to exhibit number 856 the mill spread on this fabric was 37.66? A. Yes.

Q. On September 13, 1935, so that it approximately, within a month, at any rate -- the duty payable by the importer was only $5.00, or 5 cents less than the total cost of manufacture, selling and distribution and everything else in Canada? A. That is right.

Q. Well, we could go on and compare other dates and see how it works out. Now, we will go on with rayons. The first on the rayon list, my lord, is a comparative statement of 150 denier, 60 filaments --

THE COMMISSIONER: 60 what?

BY MR. MORTON: Q. I will take the last item of 1935, October 24, 1935; the total duty payable was $22.85 -- A. Yes.

Q. and $6.67, and the excise $2.042 A. Yes.

Q. Those would be the total amounts that were assessed the importer by the government; that is correct, is it not? A. Yes.

Q. The sum of those would be -- just put them down, and give it to me, $28.85, $6.67 and $2.042

A. $34.57.

Q. $34.57?

A. [illegible]

BY MR. MORTON: which is it? A. [illegible]

Mr. Kellock must have the wrong figures.

Q. $6.67. A. Oh, $6.67, I have the wrong figure, $34.57.

Q. Referring to exhibit number 838 the mill spread on this fabric was 37.667? A. Yes.

Q. On September 16, 1935, so that it approximately within a month, at any rate -- the duty payable by the importer was only $5.00, or 5 cents less than the total cost of manufacture, selling and distribution and everything else in Canada? A. That is right.

Well, we could go on and compare other details and see how it works out. No., we will go on with [illegible]. The first on the Exhibit list, Mr. Lord, is a comparative statement of 130 dealer, 30 filaments -- [illegible]

Comparative statement between German and Canadian states as to mill sprea[illegible]
Mr. Tilsley.

SECTION 01. 838:

MR. McRUER: Filaments, my lord.

THE COMMISSIONER: Comparative, do you mean Canada and Japan, or --

BY MR. McRUER: Q. Canada and the United States. A. Canada and the United States in this case.

THE COMMISSIONER: Now, that will be 863.

EXHIBIT NO. 863: Comparative statement of Canadian and United States prices on 150 denier, 60 filaments, viscose yarn.

BY MR. McRUER: Q. Now, your statement shows the United States selling price as of September 1st, 1930 to be $115 for -- what is the unit, 100 pounds, is it? A. 100 pounds of yarn.

Q. The ad valorem duty, 20%, is $23.00, and no excise tax payable at that time. On the 17th of September, 1930 the duty leviable was 35% ad valorem or 28 cents a pound.

BY THE COMMISSIONER: Q. That means whichever was the higher? A. Whichever was the higher.

BY MR. McRUER: Q. An increase of 75%, and in dollars and cents on the article that cost $115 in the United States the duty was increased from $23.00 to $40.25. The excise duty came on in June, 1931 of one per cent, and increased to three per cent on the 7th of April, 1932. There was a reduction in January, 1936 from 35% ad valorem to 30%, or 28 cents a pound whichever was the higher? A. It shows, you see, it has to be wherever I got the figures --

Q. Wherever the minimum of 28 was effective it shows $28.00 in your schedule as the specific duty?

MR. MORGAN: Filaments, my lord.

THE COMMISSIONER: Comparative, in your case Canada and Japan, or --

BY MR. MORGAN: . Canada and the United States.

A. Canada and the United States in this case.

THE COMMISSIONER: Now, that will be 885.

EXHIBIT NO. 885:

Comparative statement of Canadian and United States prices on 150 denier, 80 filaments, viscose yarn

BY MR. MORGAN: Q. Now, your statement shows the United States selling price as of September 1st, 1956 to be $115 for -- what is the unit, 100 pounds, is it?

A. 100 pounds of yarn.

Q. The ad valorem duty, 30% , is $25.00, and the specific duty payable at that time, on the 1st of September, 1956 the duty payable was 55% ad valorem or 28 cents a pound.

BY THE COMMISSIONER: Q. That means whichever was the higher? A. Whichever was the high

BY MR. MORGAN: Q. An increase of 75%, and in dollars and cents on the article that cost $115 in the United States the duty was increased from $25.00 to $40.25. The excise duty came on in June, 1951 of one per cent, and increased to three per cent on the 7th of April, 1952. There was a reduction in January, 1956 from 55% ad valorem to 30%, or 28 cents a pound whichever was the higher? A. It also you see, it has to be whenever I got the figure --

Q. Whenever the minimum of 28 was effective it shows $28.00 in your schedule as the specific duty?

A. Yes, sir.

Q. And no ad valorem, so that from the 13th of February, 1931 onward the 28 cents a pound is the ruling factor? A. Yes, sir.

MR. KEILOCK: Could we have where Mr. Hooper gets his United States selling prices on this exhibit? A. From Courtaulds of Canada. They were sent -- I should say they came from the Viscose Corporation of America to me through Courtaulds of Canada.

BY MR. McRUER: Q. They were secured for you by Courtaulds of Canada? A. Yes. I called on the Viscose Corporation in New York and the information was sent on to Mr. Taylor.

Q. Well, at the present time the decrease of 5% ad valorem brought about by the treaty between Canada and the United States has not been effective to reduce the duties? A. No, sir.

BY THE COMMISSIONER: Q. Do I understand the excise tax still exists ? A. Yes, my lord.

Q. So that for practical purposes the duty is the same now as it was? A. Yes, my lord. The 30% would only become effective if the value of the yarn was over 90 cents.

MR. McRUER: This is exhibit number?

THE COMMISSIONER: 863.

MR. McRUER: Now, the next is a comparative statement in regard to 150 denier, 60 filaments, the same fabric, but between the Netherlands and Canada.

THE COMMISSIONER: 864.

EXHIBIT NO. 864: Comparative statement as to prices on 150 denier, 60 filaments, viscose yarn, Canada and the Netherlands.

A. Yes, sir.

Q. And on ad valorem, so that from the 12th of February, 1921 onward the 28 cents a pound in the ruling factor? A. Yes, sir.

MR. KELLOCK: Could we have where Mr. Hooper gets his United States selling prices on this exhibit?

A. From Courtaulds of Canada. They were sent -- I should say they came from the Viscose Corporation of America to me through Courtaulds of Canada.

BY MR. MONDER: Q. They were secured for you by Courtaulds of Canada? A. Yes. I called on the Viscose Corporation in New York and the information was sent on to Mr. Taylor.

Q. Well, at the present time the decreases of 5% ad valorem brought about by the treaty between Canada and the United States has not been effective to reduce the duties? A. No, sir.

BY THE COMMISSIONER: Q. Do I understand the excise tax still exists? A. Yes, my lord.

Q. So that for practical purposes the duty is the same now as it was? A. Yes, my lord. The 30% would only become effective if the value of the yarn was over 90 cents.

MR. MONDER: This is exhibit number?

THE COMMISSIONER: 865.

MR. MONDER: Now, the next is a comparative statement in regard to 150 denier, 50 filaments, the same fabric, but between the Netherlands and Canada.

THE COMMISSIONER: 866.

EXHIBIT NO. 866: Comparative statement as prices on 150 denier, 50

BY MR. KELLOCK: Q. These prices are from where?
A. These prices were in most cases taken from invoices and during the latter years taken from quotations made to the importer or to the agent here in Canada.

BY MR. McRUER: Q. Holland was under the intermediate tariff the same as the United States?
A. The same as the United States are now.

Q. The same as the United States are now, yes, quite right. The rate was 17½% prior to September, 1930 and became 30% or 28¢ a pound, or an increase on importations from the Netherlands of that date of 221%. Now again throughout the 28 cents a pound minimum has been the ruling duty collectable?
A. Yes, sir.

Q. I see that the price, the Netherlands selling price has dropped from $1.24 to 50 cents a pound.

THE COMMISSIONER: That is 124 florins.

MR. McRUER: I beg your pardon, yes.
A. From 124 to 50.

Q. 124 to 50, at any rate? A. Yes.

BY THE COMMISSIONER: Q. The value for duty has fallen from $49.85 to $34.31⅞ A. Yes, my lord.

Q. The lowest was $33.47.

BY MR. McRUER: Q. Well, the value for duty, would there be a fixed valuation on at that time?
A. No, it is Holland florins converted at the current rate of exchange.

BY THE COMMISSIONER: Q. The florin remained on the gold basis? A. Yes.

BY MR. KELLOCK: Q. These prices are from where

A. These prices were in most cases taken from invoic

and during the latter years taken from quotations

made to the importer or to the agent here in Canada.

BY MR. MORURR: Q. Holland was under the inter-

mediate tariff the same as the United States?

A. The same as the United States are now.

Q. The same as the United States are now, yes,

quite right. The rate was 17½% prior to September,

1930 and became 30% or 28¢ a pound, or an increase

on importations from the Netherlands of that date of

22½%. Now again throughout the 28 cents a pound

minimum has been the ruling duty collectable?

A. Yes, sir.

Q. I see that the price, the Netherlands selli

price has dropped from $1.24 to 50 cents a pound.

THE COMMISSIONER: That is 124 florins.

MR. MORURR: I beg your pardon, yes.

A. Yes, sir.

Q. 124 to 50, at any rate? A. Yes

BY THE COMMISSIONER: Q. The value for duty has

fallen from $42.85 to $34.31? A. Yes, my

lord.

Q. The lowest was $33.47.

BY MR. MORURR: Q. Well, the value for duty,

would there be a fixed valuation on at that time?

A. No, it is Holland florins converted at the cur

rate of exchange.

BY THE COMMISSIONER: Q. The florin remained

the gold basis? A. Yes.

Q. Higher than the dollar through all these years.

MR. McRUER: Yes; then, the next one I will deal with is a comparative statement of the United Kingdom --

THE COMMISSIONER: On the same article?

MR. McRUER: No, it is 100 denier, 21 filaments, my lord.

THE COMMISSIONER: 865.

EXHIBIT NO. 865: Comparative statement as to United Kingdom and Canada prices on viscose yarns, 100 denier, 21 filaments.

THE COMMISSIONER: The United Kingdom and Canada?

MR. McRUER: Yes, my lord. Now, the duty payable prior to September, 1930 was 12½%. From September 17, 1930 it was 25% or 28 cents a pound, less 10%, an increase of 84%.

THE COMMISSIONER: That is less 10% in certain cases?

MR. McRUER: Yes, my lord, imported into Canada through Canadian ports. Now again the specific duty seems to have been applicable throughout the whole of the period since it went into effect? A. Yes, sir.

Q. And it was always higher than the 25% ad valorem.

THE COMMISSIONER: But it was not the same specific duty? A. No.

Q. I see it was reduced there from 28 cents to 20 cents in 1934? A. And the ad valorem was also reduced.

Q. Higher than the dollar through all these years.

MR. MONDER: Yes; then, the next one I will deal with is a comparative statement of the United Kingdom --

THE COMMISSIONER: On the same article?

MR. MONDER: No, it is 100 denier, 21 filaments per land.

THE COMMISSIONER: 865.

EXHIBIT NO. 865: Comparative statement as to United Kingdom and Canada prices on viscose yarns, 100 denier, 21 filaments.

THE COMMISSIONER: The United Kingdom and Canada.

MR. MONDER: Yes, my lord. Now, the duty payable prior to September, 1930 was 12½%. From September 17, 1930 it was 25% or 28 cents a pound, less 10%, an increase of 64%.

THE COMMISSIONER: That is less 10% in certain cases?

MR. MONDER: Yes, my lord, imported into Canada through Canadian ports. Now again the specific duty [illegible] we have been applicable throughout the whole of the period since it went into effect?

A. Yes, sir.

Q. And it was also a higher than the 25% ad valorem.

THE COMMISSIONER: But it was not the same specific duty? A. No.

Q. I see it was reduced there from 28 cents

Q. But it was the specific that prevailed?
A. It was the specific that prevailed, my lord.

MR. McRUER: Until we get down to May, 1936, when the specific was taken off.

THE COMMISSIONER: And the ad valorem left at 20%?

MR. McRUER: Yes, my lord. Now, let us see how the rate at the present time compares with the rate that was in effect prior to the September changes in 1930. It is really 18% now as against 12½% prior to September, 1930; that is correct, isn't it?
A. Yes.

Q. That is, if imported into Canada through Canadian ports. Now, have we any mill spreads on these last exhibits? A. No, we could not have mill spreads on that. We could if we had their cost sheets; Courtaulds Limited spreads could be taken from the cost sheets, take the raw material. We cannot give it for any denier.

Q. Have Courtaulds not got --

BY THE COMMISSIONER: Q. In this present exhibit it seems to me the order of things is not the same as in the previous ones. You give the value for duty purposes first? A. Yes.

Q. And the invoice value later on; I was confused there for a moment? A. Yes, my lord; you compute the duties on the value for duty, that is, the ad valorem or specific and the excise tax, on the amount shown in the third column. The reason for that, for showing the invoice value later,

Q. But it was the specific that prevailed?

A. It was the specific that prevailed, my lord.

MR. MONDER: Until we get down to May, 1926, when the specific was taken off.

THE COMMISSIONER: And the ad valorem left at 20%?

MR. MONDER: Yes, my lord. Now, let us see how the rate at the present time compares with the rate that was in effect prior to the September change in 1930. It is really 18% now as against 15% prior to September, 1930; that is correct, isn't it?

A. Yes.

Q. That is, if imported into Canada through Canadian ports. Now, have we any will spreads on these last exhibits? A. No, we could not have will spreads on that. We could if we had their cost sheets; countervails limited spreads could be taken from the cost sheets, take the raw material. We cannot give it for any dealer.

Q. Have countervails not got --

BY THE COMMISSIONER: Q. In this present exhibit it seems to me the order of things is not the same as in the previous ones. Can give the value for duty purposes first? A. Yes.

Q. And the invoice value later on; I was confused there for a moment? A. Yes, my lord; you compute the duties on the value for duty, that is, the ad valorem or specific and the excise tax, on the amount shown in the third column. The reason for that, for example to a invoice value later

was so I could bring out the dumping duty that would have been applicable during certain periods when the pound was below $4.40.

Q. The real beginning, though, is with the invoice value as $85.16? A. Yes, my lord.

MR. KELLOCK: Might I ask Mr. Hooper if the selling price on 865 includes the United Kingdom excise tax?

THE COMMISSIONER: What is that question?

MR. KELLOCK: If the United Kingdom selling price on 865 includes the United Kingdom excise tax. A. You will notice there is a difference between the invoice value and the value for duty purposes. That difference is accounted for by the excise duty.

BY THE COMMISSIONER: Q. It is not leviable on goods exported? A. We allow it for special duty purposes.

Q. I mean goods exported from the United Kingdom? A. They get a refund of the excise duty paid, and the Canadian Customs law provides that the amount of excise duty shall be allowed for special duty purposes, so it is the invoice value, or the home market value less excise duty that would be also the value for special duty purposes.

BY MR. McRUER: Q. Well then, it is correct to say, then, that you have made allowances for the United Kingdom excise duty in your computations of the duties payable on this statement? A. It does not affect the duties payable but it does affect the invoice value. There would be no dumping duty,

was so I could bring out the dumping duty that would have been applicable during certain periods when the pound was below $4.40.

Q. The real beginning, though, is with the invoice value of $4.40? A. Yes, my lord.

MR. KNILOCK: Might I ask Mr. Hooper if the selling price on 4th January the United Kingdom would have?

THE COMMISSIONER: What is that question?

MR. KNILOCK: If the United Kingdom selling price on 4th January the United Kingdom selling was.

A. The will notice there is a difference between the invoice value and the value for duty purposes. That difference is occasioned by the excise duty.

BY THE COMMISSIONER: Q. It is not leviable on goods exported? A. We allow it for special duty purposes.

Q. I mean goods exported from the United Kingdom? A. They get a refund of the excise duty paid, and the Canadian Customs Law provides that the amount of excise duty shall be allowed for special duty purposes, so it is the invoice value, or the home market value less excise duty that would be also the value for special duty purposes.

BY MR. MORAHAN: Q. Well then, it is correct to say, then, that you have made allowance for the United Kingdom excise duty in your comparisons of the prices payable on this statement? A. Yes, we have, reflect the duties payable but it does affect the invoice value. There would be no dumping duty

additional dumping duty on account of the invoice value being lower. The invoice value is assumed to be, in this case, the home market value less the excise duties.

Q. Now, the next exhibit? A. The other day we mentioned -- we put in some exhibits as to the cost of acetate yarns in Canada.

Q. Yes. A. That is the laid down cost, or the value including duty and excise tax; we were unable to get anything from Continental Europe at that time. Since then we have this letter, and I have figured what the duty and excise tax would be.

Q. This letter, then, forms the basis of some calculations you are going to deal with in a subsequent exhibit? A. No, I have just got it there, one calculation to be put in as the price of Italian acetate yarn.

Q. This refers to the other exhibits we dealt with in Montreal when we were dealing with acetate yarns? A. Yes.

Q. Probably we better leave this and we might have the other exhibits looked up so we can relate it back to them and make it convenient for our record. If you will just keep it, in the meantime we will find out where it ought to go.

BY MR. KELLOCK: Q. Might I ask, Mr. Hooper, where the United Kingdom selling prices on 865 were obtained from? A. I have forgotten the name of the company now, Courtauld's Export Company -- Lustres & Fibres.

additional dumping duty on account of the invoice value being lower. The invoice value is assumed to be in this case, the home market value less the excise duties.

Q. Now, the next exhibit? A. The other day we mentioned -- we put in some exhibits as to the cost of cestets yarns in Canada.

Q. Yes. A. That is the land down cost, or the value including duty and excise tax; we were unable to get anything from Continental Europe at that time. Since then we have this letter, and I have figured what the duty and excise tax would be.

Q. This letter, then, forms the basis of some calculations you are going to deal with in a subsequent exhibit? A. No, I have just got it there one calculation to be put in as the price of Italian yarns.

Q. This refers to the other exhibits we dealt with in Montreal when we were dealing with cestets yarns? A. Yes.

Q. Probably we better leave this and we might have the other exhibits looked up so we can relate it back to them and make it convenient for our records. If you will just keep it, in the meantime we will find out where it ought to go.

BY MR. KELLOCK: Q. May I ask, Mr. Hooper, where the United Kingdom selling prices on 865 were obtained from? A. I have forgotten the

Q. What is the form, what is the put up form for these prices? A. I could not say offhand. I think they are on cones. They are all comparable with Canadian selling prices, anyway, otherwise I don't think the English company would have given them, or Mr. Taylor would have allowed them to come to the Commission.

BY MR. McRUER: Q. You got them through Mr. Taylor? A. Yes.

BY THE COMMISSIONER: Q. Who is Mr. Taylor? A. Mr. Taylor is the general sales manager of Courtaulds Canada Limited.

MR. DIXON: If that is the case, Mr. Hooper, these must be in skeins because our Canadian selling prices are in skeins, but I cannot say about the English. A. Yes, in skeins.

MR. McRUER: The next exhibit, my lord, is a statement of rayon fabric selling prices and Canadian duties applicable when imported into Canada for consumption.

THE COMMISSIONER: Where from?

MR. McRUER: Different places -- no, all United States, oh yes.

THE COMMISSIONER: What is it then, it is a statement of what?

MR. McRUER: Rayon fabric selling prices and Canadian duties applicable when imported into Canada.

BY THE COMMISSIONER: Q. Selling prices in the U.S.A? A. Yes, my lord, selling prices in the U.S.A. as of October 6, 1936.

Q. Does that show the Canadian duties?

Q. What is the form, what is the put up form for these prices? A. I could not say either. I think they are on cones. They are all comparable with Canadian selling prices, anyway, otherwise I don't

5 think the English Company would have given them, or Taylor would have allowed them to come to the Commissioner.

BY MR. MORGAN: Q. You got them through Mr. Taylor? A. Yes.

BY THE COMMISSIONER: Q. Who is Mr. Taylor?

10 A. Mr. Taylor is the general sales manager of Courtaulds Canada Limited.

MR. DIXON: If that is the case, Mr. Cooper, these must be in sterling because our Canadian selling prices are in sterling, but I cannot say about the English

15 A. Yes, in sterling.

MR. MORGAN: The next exhibit, my lord, is a statement of rayon fabric selling prices and Canadian duties applicable when imported into Canada for consumption.

20 THE COMMISSIONER: Where from?

MR. MORGAN: Different places -- no, all United States, oh yes.

THE COMMISSIONER: What is it then, it is a statement of what?

25 MR. MORGAN: Rayon fabric selling prices and Canadian duties applicable when imported into Canada.

BY THE COMMISSIONER: Q. Selling prices in the U.S.A? A. Yes, my lord, selling prices in the U.S.A. as at October 1, 1947.

30 Q. Does that show the Canadian duties?

A. There is provision for it, I have only shown three selling prices on Canadian fabrics --

Q. I am talking about duties.

MR. McRUER: The duties payable, yes, my lord.

THE COMMISSIONER: 866.

EXHIBIT NO. 866: Statement of rayon fabric selling prices in the United States and Canadian duties applicable.

MR. McRUER: Now, there are samples attached to this exhibit, my lord, and they are all labelled. Now, you have dealt in this exhibit, Mr. Hooper, with a series of fabrics that are manufactured in the United States; is that correct? A. Yes, sir.

Q. Samples that you have obtained in the United States? A. Yes.

Q. You have satisfied yourself they are all of United States manufacture? A. Yes.

Q. Then, you have the selling prices of those samples shown in thousand yard pieces; is that correct? A. That is right.

Q. And from that you have computed the duty that would be payable had the fabrics been imported into Canada on the 6th of October, 1936? A. Yes, sir.

Q. So that this gives us the picture in respect to the duties that are payable now on rayon fabrics? A. Yes, sir.

Q. Now, again, Mr. Hooper, was there any selection of these fabrics for the purpose of telling any particular story, or just to get the general picture?

Q. There is previous to 19, I have only shown three selling prices on Canadian fabrics --

Q. I am talking about duties.

MR. HOOPER: The duties payable, yes, my lord.

THE PRESIDENT: Yes.

MR. HOOPER: Statement of Japan fabric selling prices in the United States and Canadian duties applicable.

Q. MR. HOOPER: There are samples attached to this exhibit, my lord, and they are all labelled. Now, you have lately in this exhibit, Mr. Hooper, with a series of fabrics that are manufactured in the United States; is that correct? A. Yes, sir.

Q. Samples that you have obtained in the United States? A. Yes.

Q. You have satisfied yourself they are all of United States manufacture? A. Yes.

Q. Then, you have the selling prices of those samples shown in Commission Exhibit 19 in the correct? A. That is right.

Q. And from that you have computed the duty that would be payable had the fabrics been imported in Canada on the 6th of October, 1950? A. Yes, sir.

Q. So that this gives us the picture in respect to the duties that are payable now on rayon fabrics? A. Yes, sir.

Q. Now, again, Mr. Hooper, was there any selection on these fabrics for the purpose of telling any particular story, or just to get the general picture

A. Just to get the general picture; they are the most popular lines in the States.

Q. The most popular lines in the States; well now, take the first one, for instance, the selling price is $115, and the ad valorem duty -- A. $41.40.

BY THE COMMISSIONER: Q. Pardon me a minute; where did you get the $41.40 on this? Hold on just a minute, I want to get the governing rates. I find it is a most favoured nation rate, 40% less 10; what is the less 10 for? A. It is provided for under the French treaty, countries enjoying most favoured nation treatment.

Q. So the United States gets the benefit of it? A. Yes, my lord.

Q. That means 40% less 10% which really means 36%? A. Yes, my lord

(page 11955 follows)

MR. McRUER: And there is a specific duty of 4 cents a pound.

THE COMMISSIONER: That comes to more than the ad valorem.

MR. McRUER: Yes, my lord.

BY MR. McRUER: Q. So that on this fabric costing $115 in the United States, the actual duty and excise payable in Canada would be $95.74, A. Yes.

Q. That is about 90 per cent duty ? A. Yes.

BY THE COMMISSIONER: Q. So an article costing $115 becomes $210.74 ? A. Yes, my lord.

BY MR. McRUER: Q. Dealing with the next item, rayon alpaca -- A. The other was also a rayon alpaca.

Q. Oh yes, the other was rayon alpaca of a different weight. It was a bit lighter. This second one is 7.2 yards per pound as compared with the former one of 8.3 yards per pound. The cost in the United States of this article is $135. The ad valorem duty payable, $48.60, the specific $55.56 and excise $7.17, or a total in duties of ? A. $111.33.

Q. $111.33. There the specific duty is $55.56 as against the ad valorem duty of $48.60.

Now the next item is a rayon canton, 4.7 yards per pound, piece dyed. The cost in the United States was $260. The ad valorem duty $93.60, specific $85.12, excise $13.16, so on this article costing $260 in the United States the total tax payable would be ? A. $191.88.

Q. $191.88. There is no use running over

MR. McDUGAL: And there is a specific duty of 4 cents a pound.

THE COMMISSIONER: That comes to more than the ad valorem.

MR. BERGER: Yes, my lord.

BY MR. McDUGAL: Q. So that on this textile costing $115 in the United States, the actual duty and excise payable in Canada would be $25.74. A. Yes.

Q. That is about 30 per cent duty? A. Yes.

BY THE COMMISSIONER: Q. So a textile costing $115 becomes $210.74? A. Yes, my lord.

BY MR. McDUGAL: Q. Dealing with the next item, rayon sipes -- A. The other was also a rayon sipes.

Q. Oh yes, the other was rayon sipes of a different weight. It was a bit lighter. This second one is 7.2 yards per pound as compared with the former one of 8.3 yards per pound. The cost in the United States of this article is $35. The ad valorem duty payable, $46.60, the specific $35.56 and excise $7.17, or a total in duties of? A. $111.33.

Q. $111.33. There the specific duty is $35.56 as against the ad valorem duty of $46.60.

Now the next item is a rayon sarton, 4.7 yards per pound, piece dyed. The cost in the United States was $200. The ad valorem duty $32.60, specific $35.12, excise $13.16. So on this article costing $200 in the United States the total tax payable would be? A. $121.88.

Q. $121.88. There is no use running over

them all but there is an item there, 150 denier, 40 filament taffeta, 72 x 48, on which the specific duty was $69.44 and the ad valorem $61.20 ? A. Yes.

Q. Sometimes the specifc duties were more than the ad valorem and sometimes considerably less as in the next item where the ad valorem is $144 as against specific $72.72. A. Yes.

Q. I suppose that is because ? A. Partly due to the type of yarn used.

Q. The type of yarn used? A. It increases the value of the finished product.

Q. I see, being of finer denier? A. Finer denier, finer filament.

Q. And that increases the value of the finished product but makes a lighter article, is that it ? A. It may not be lighter. In this case it is a little lighter than in some of the others but it is heavier than many, but you have more ends and more picks in this cloth. If you get another, 5½ yards per pound, you can make a comparison. We have rayon canton 4.7 yards per pound, with 96 ends and 48 picks, whereas this particular cloth has 68 picks.

Q. These duties seem to run roughly about 90 per cent customs and excise, or close to it? A. Between 80 and 90 per cent.

MR. KELLOCK: Can we have the source of the United States selling prices ?

THE WITNESS: From the manufacturer.

BY MR. McRUER: Q. From the manufacturers of the fabric? A. Of the fabric.

Q. And the manufacturer's name is shown on the fabric, is it ? A. No, Cohen Hall and Marx.

then all but there is an item there, 150 denier, 40 filament taffeta, 72 x 48, on which the specific duty was 77½% ad val of ?[illegible] Rate.

Q. Sometimes the specific duties were more than the ad valorem and sometimes considerably less as in the next item where the ad valorem is $144 as against specific $72.72. A. Yes.

Q. I suppose that is because ? A. Partly due to the type of yarn used.

Q. The type of yarn used? A. It increases the value of the finished product.

Q. I see, being of finer denier? A. Finer denier, finer filament.

Q. And that increases the value of the finished product but makes a lighter article, is that it ?

A. It may not be lighter. In this case it is a little lighter than in some of the others but it is heavier than many, but you have more ends and more picks in this cloth. If you get another, 3½ yards per pound, you can make a comparison. We have rayon cantoon 4.7 yards per pound, with 96 ends and 48 picks, whereas this particular cloth has 68 picks.

Q. These ratios seem to run roughly about 50 per cent customs and excise, or close to it?

A. Between 50 and 60 per cent.

Mr. MACDOUGALL: Can we have the source of the initial duties ratios ?

THE CHAIRMAN: From the manufacturer.

BY Mr. MACDOUGALL: Q. From the manufacturers of the fabric? A. Of the fabric.

Q. And the manufacturer's name is shown on the fabric, is it ? A. No, Cohen Hall and Marx.

I keep the companies that have connections in Canada.

Q. Cohen Hall and Marx have pretty definite connections in Canada. Well now, Mr. Hooper, you have three Canadian prices you have dealt with here on fabrics about which you have been able to determine that there was a more or less similar fabric selling in the Canadian market. That is correct, is it? A. Or a comparable fabric. There are others, but as I said before I just got these in, and next week or so I will get the other prices and fill them in there.

Q. Take the first one, the value per pound in the United States, you have 92 cents, is that the value laid down here? A. No, that is the selling price in the United States.

Q. The selling price in Canada is $1.60? A. Yes, sir.

Q. Per pound? A. Yes, sir.

Q. On the next one the selling price in the United States is 97 cents and in Canada $1.60 per pound. A. That is approximately the price in Canada.

Q. Now these are fabrics that are light weight. Take the first one, 8.3 yards per pound? A. Yes, sir.

Q. Where did you get this selling price of $1.60. A. That is the selling price of 26" taffeta approximately 9.73 yards per pound as sold by Canadian Cottons, and I have used the selling price of 17 cents.

Q. Is that the taffeta they manufacture at their Milltown mill? A. Yes, sir.

I keep the companies that have connections in Canada.

Q. Cohen Hall and Marx have pretty definite connections in Canada. Well now, Mr. Hooper, you have listed Fabrics below. You have already stated on the bills about which you have been asked in regard that there was a more or less similar fabric selling in the Canadian market. That is correct, is it?

A. Or a comparable fabric. There are others, but as I said before I just got there in, and next week I will get the same estimate and will have it there.

Q. Take the first one, the value per pound in the United States, you have 92 cents, is that the value laid down here? A. No, that is the selling price in the United States.

Q. The selling price in Canada is $1.09?

A. Yes, sir.

Q. Per pound? A. Yes, sir.

Q. On the next one the selling price in the United States is 47 cents and in Canada $1.10 per pound.

A. That is approximately the price in Canada.

Q. Now these are fabrics that are light weight. Take the first one, 4.5 yards per pound? A. Yes, sir.

Q. Where did you get this selling price of $1.60.

A. That is the selling price of the fabrics similar 4.75 yards per pound as sold by Canadian Cottons, and I have used the selling price of 17 cents.

Q. Is that the selling price of manufacturers in Hamiltown mill? A. Yes, sir.

Q. Yes, of course, that is where they manufacture their rayon. A. Yes.

Q. Now is this taffeta that has been discussed as their line the article that they say they are getting competition on from Japan, on the importations of like rayon from there? A. Yes.

Q. And they quote their figure of 17 cents a pound? A. 17 cents a yard. I believe that is the quotation. It was 18½ cents when this inquiry started, and has been 19½.

Q. Yes. We have had 17 cents mentioned before the inquiry, and working that out, it works out that their selling price here is $1.60 per pound as against 93 cents in the United States? A. Yes, sir.

Q. Then the next fabric which is selling at 97 cents in the United States and at $1.60 in Canada, that is 7.2 yards per pound? A. Yes, sir. These two are more or less to be grouped together.

Q. You are comparing them with the same type of Canadian cottons? A. Yes.

Q. That sells at $1.60 per pound? A. Yes.

Q. And how many yards per pound do you say Canadian Cottons fabric was? A. The 27" 9.37 yards.

Q. So it is a lighter weight fabric than the United States article? A. No, you will notice that is 35" -- 36".

Q. Oh yes, I see. A. They also make a 35"-36". Perhaps Mr. Gordon can tell us the selling price of the 35"-36" fabric.

MR. BLAIR GORDON: I think it was around

Q. Yes, of course, that is where they manufacture their product. A. Yes.

Q. How is this article that has been discussed on their line the article that they say they are getting competition on from Japan, on the importations of like region from there? A. Yes.

Q. And they quote their figure of 17 cents a pound? A. 17 cents a yard. I believe that is the quotation. It was 15½ cents when this inquiry started, and has been 15½.

Q. Yes. We have had 17 cents mentioned before the inquiry, and working that out, it works out that their selling price here is $1.60 per pound as against 93 cents in the United States?

A. Yes, sir.

Q. Then the next fabric which is selling at 17 cents in the United States and at $1.60 per pound, that is 7.1 yards per pound? A. Yes, sir. These two are more or less to be grouped together.

Q. You are comparing them with the same type of Canadian cotton? A. Yes.

Q. That sells at $1.60 per pound? A. Yes.

Q. And how many yards per pound do the Canadian cotton fabrics have? A. The 27" 9.27 yards.

Q. So it is a lighter weight fabric than the United States article? A. No, you will notice that is 35" -- 36".

Q. Oh yes, I see. A. They also make a 28"-30". Perhaps Mr. Gordon can tell us the selling price of the 28"-30" fabric.

Q. Mr. Gordon, I think it was usual

21 or 22 cents.

THE WITNESS: And that weighs what? Do you know offhand?

MR. BLAIR GORDON: No, I do not know offhand.

THE WITNESS: It would work out to about $1.55 to $1.60.

BY MR. McRUER: Q. So that with working conditions as they are in the United States and as they are in Canada -- at any rate these figures speak for themselves and I will not comment on them now. I can do that later.

The next Exhibit, my lord, is a statement of mill spreads, on 27" plain rayon taffeta.

THE COMMISSIONER: That is American?

MR. McRUER: No, this is Canadian, my lord, Canadian mill spread on 27" plain rayon taffeta, piece dyed, 9.27 yards per pound.

THE COMMISSIONER: That will be Exhibit 867.

EXHIBIT 867: Statement of Canadian mill spread - Canadian Cottons Limited 27" plain Rayon Taffeta, piece dyed, 9.27 yards per pound. Sample attached.

BY MR. McRUER: Q. Referring to Exhibit 867, on this fabric the mill spread appears to have been $1.05 in April 1931? A. Yes, sir.

Q. And the selling price of this fabric per pound, you have on this statement as $1.73? A. Per pound.

Q. Per pound. On your statement, Exhibit 866, it was $1.60. A. After the Japanese importations the price was reduced.

Q. I see. They brought their prices down.

21 or 22 cents.

THE CHAIRMAN: And that varies what do you know without?

MR. MALTE GORDON: No, I do not know without.

THE WITNESS: It would work out to about $1.55 to $1.60.

BY MR. MORTON: Q. So that with working conditions as they are in the United States and as they are in Canada -- at any rate these figures speak for themselves and I will not comment on them now. I can do that later.

The next Exhibit, my Lord, is a statement of mill spreads, on 27" plain rayon taffeta.

THE COMMISSIONER: That is American?

MR. MORTON: No, this is Canadian, my Lord. Canadian mill spread on 27" plain rayon taffeta, piece dyed, 9.27 yards per pound.

THE COMMISSIONER: That will be Exhibit 867.

EXHIBIT 867: Statement of Canadian mill spread - Canadian Cotton Limited 27" plain lay on taffeta, piece dyed, 9.27 yards per pound. Sample attached.

BY MR. MORTON: Q. Referring to Exhibit 867, on this fabric the mill spread appears to have been $1.60 in April 1937? A. Yes, sir.

Q. And the selling price of this fabric per pound, you have in this statement as $1.75? A. Per pound.

Q. Per pound. On your statement, Exhibit 864, it was $1.60. A. After the Japanese Importations the price was reduced.

Q. I see. They brought their prices down.

BY THE COMMISSIONER: Q. Between what dates did they bring the price down? A. After January 10 the prices came down.

Q. On January 10, 1936, the selling price was $1.73. When did it become $1.60? A. Maybe Mr. Gordon could answer that question. When was the price of 27" taffeta reduced from 18½ to 17 cents, Mr. Gordon? Was it sometime in June or July?

MR. BLAIR GORDON: I think it was before that, Mr. Hooper. The competition arose in January or February, and I think it was in February or January.

THE WITNESS: There have been two reductions, have there not, Mr. Gordon, one before you got to 17 cents ?

MR. BLAIR GORDON: I am afraid I cannot tell you that.

BY MR. McRUER: Q. This statement shows one or two interesting things, Mr. Hooper. In the first place the rayon yarn price to the mill is Courtaulds price? A. Yes, sir. In some cases they may have purch sed foreign yarns at lower prices but I cannot say about that.

Q. But we have heard from Courtaulds the quantity of yarn at any rate which they sold to this mill, and I presume that the prices are determined to some extent by them. A. This is Courtaulds lowest price. Canadian Cottons may have got a better price or a discount on this price for quantity.

MR. BALLANTYNE: Any waste allowance?

THE WITNESS: No.

BY THE COMMISSIONER: Q. Between what dates did they bring the price down? A. After January 10 the prices came down.

Q. On January 10, 1947, the selling price was 21-17, then on 17 weeks 21.00? A. Maybe so, Gordon could answer that question. When was the price of 27" textile reduced from 18¢ to 17 cents, Mr. Gordon? Was it sometime in June or July?

MR. HALIE GORDON: I think it was before that.

MR. HOOPER: The competition came in January or February, and I think it was in January or February.

THE CHAIRMAN: There have been two reductions, have there not, Mr. Gordon, one before you got to 17 cents?

MR. HALIE GORDON: I am afraid I cannot tell you that.

BY MR. MORAN: Q. This statement shows one or two interesting things, Mr. Hooper. In the first place the rayon yarn price to the mill is Courtaulds price? A. Yes, sir. In some cases they may have purchased foreign yarns at lower prices but I cannot say about that.

Q. But we have heard from Courtaulds the quantity of yarn at any rate which they sold to this mill, and I presume that the prices are determined to some extent by them. A. This is Courtaulds lowest price. Canadian Cottons may have got a better price or a discount on this price for quantity.

MR. MACDONALD: Any waste allowance?

MR. HOOPER: No.

BY MR. McRUER: Q. In the last column you show the trend of prices of Canadian rayon rough crepe. Has that anything to do with this item that we are dealing with here, rayon alpaca? A. Only in so far as it shows that prices on another type of rayon fabric have been steadily decreasing from 1933 to 1936. It is very hard to get a line on which to go back to 1930.

Q. Yes, all right. A. This $2.21, I should point out, is not the spread, but the trend of prices. It is not the spread.

Q. No, that is their price per yard.
A. That is the selling price per pound.

BY THE COMMISSIONER: Q. Per pound, in that last column? A. Yes, my lord.

MR. KELLOCK: Mr. Hooper said that the last column shows there was a steady decrease between 1933 and 1936, but as I read it the decrease only started in March 1935.

MR. McRUER: I think that is correct.

THE WITNESS: That is correct.

MR. BALLANTYNE: May I ask Mr. Hooper a question about Exhibit 866? Why are there no Canadian prices other than for the first two items?

MR. McRUER: The witness said that he just got these and he had not been able to make them up yet. He is going to try and get them.

BY MR. McRUER: Q. Referring to Exhibit 867 for a moment, Mr. Hooper, what was the date that the fixed valuation went on rayon fabrics?
A. December 12, 1931.

Q. That was $1.25 per pound that was put on at that time? A. Yes.

BY Mr. McRUER: Q. In the last column you show the trend of prices of Canadian rayon rough crepe. Has that anything to do with this item that we are dealing with here, rayon piece? A. Only in so far as it shows the prices on another type of rayon fabric have been steadily decreasing from 1928 to 1936. It is very hard to get a line on which to go back to 1930.

Q. Yes, all right. A. This [illegible], I should point out, is not the spread, but the trend of prices. It is not the spread.

Q. No, that is their price per yard.

A. That is the selling price per pound.

BY THE COMMISSIONER: Q. Per pound, in that last column? A. Yes, my lord.

MR. MACDONALD: Mr. Hooper said that the last column shows there was a steady decrease between 1928 and 1936, but as I read it the decrease only started in March 1936.

MR. McRUER: I think that is correct.

THE WITNESS: That is correct.

MR. MACDONALD: May I ask Mr. Hooper a question about Exhibit 867? Why are there no Canadian prices other than for the first two items?

MR. McRUER: The witness said that he just got these and he had not been able to make them up yet. He is going to try and get them.

BY MR. McRUER: Q. Referring to Exhibit 867 for a moment, Mr. Hooper, what was the date that the fixed valuation went on rayon fabrics?

A. December 15, 1931.

Q. That was $1.25 per pound that was put on at that time? A. Yes.

THE COMMISSIONER: What date?

MR. McRUER: December 12, 1931.

BY MR. McRUER: Q. Referring to Exhibit 867, the rayon in the fabric, that is the price of the raw material is shown as 96 cents on the 3rd of October, 1931, and on the 15th of December at 96 cents. There is no increase in the price of the raw material, but the mill spread between those two dates increased from $1.05 to $1.24 apparently. That is correct, isn't it? A. That is correct. It is a very peculiar thing there. The value for duty is approximately the same as the mill spread. The minimum value is $1.25 per pound, and the duty computed on $1.25 per pound is the same as the price of yarn.

Q. Just let me follow that. The value for duty -- A. Is $1.25 per pound.

BY THE COMMISSIONER: Q. Where have you the value for duty? A. That is contained in the Appraisers' Bulletin, my lord.

Q. It is not on this sheet? A. No, Appraisers' Bulletin 3789.

BY MR. McRUER: Q. A fixed valuation of $1.25 per pound was put on rayon.

THE COMMISSIONER: That was from the 3rd October to 15th December, 1931 ?

THE WITNESS: It was December 12, 1931.

BY THE COMMISSIONER: Q. It is between those two dates shown on your sheet in Exhibit 867 ? A. Yes. We have an item shown here December 15, 1931, $1.24 a pound mill spread. Now the fixed

THE COMMISSIONER: What date?

MR. McDURR: December 12, 1921.

BY MR. McDURR: Q. Referring to Exhibit 827, the rayon in the fabric, that is the price of the raw material is shown as 96 cents on the 3rd of October, 1921, and on the 15th of December at 96 cents. There is no increase in the price of the raw material, but the mill spread between those two dates increased from $1.00 to $1.24 apparently. That is correct, isn't it? A. That is correct. It is a very peculiar thing there. The value for duty is approximately the same as the mill spread. The minimum value is $1.25 per pound, and the duty computed on $1.25 per pound is the same as the price of yarn.

Q. Just let me follow that. The value for duty -- A. Is $1.25 per pound.

BY THE COMMISSIONER: Q. Where have you the value for duty? A. That is contained in the Appraisers' Bulletin, my lord.

Q. It is not on this sheet? A. No. Appraisers' Bulletin 8789.

BY MR. McDURR: Q. A fixed valuation of $1.25 per pound was put on rayon.

[illegible]: That was from the 3rd October to 15th December, 1921?

[illegible]: It was December 15, 1921.

BY THE COMMISSIONER: Q. It is between those two dates shown on your sheet in Exhibit 827?

A. Yes. We have an item shown here December 15, 1921, $1.24 a pound mill spread. Now the fixed

valuation, that is the value for duty of the finished fabric when imported into Canada was $1.25?

Q. Yes? A. Now 40 per cent duty, less 10 per cent of that is 36 per cent, and 40 cents per pound is 85 cents. The other charges bring it pretty near up to the price of yarn.

BY MR. McRUER: Q. I think I have got this clear, Mr. Hooper. Let us see if that is the case. The mill spread, which is the cost of manufacturing distribution and profit, which is all over and above the cost of the raw material, was $1.24 a pound on December 15, 1931? A. Yes, sir.

Q. At that time a valuation was put on of $1.25 a pound for duty purposes? A. Yes, sir.

Q. So that the department started to value an article that cost $1.24 to make and distribute in Canada at $1.25 a pound ? A. Yes.

BY THE COMMISSIONER: Q. When imported? A. When imported.

BY MR. McRUER: Q. When imported. Then the Canadian manufacturer had the benefit of a valuation that was put on that was equal practically to his whole cost of manufacture, distribution and everything except raw material? A. Yes, that is right as far as you have gone.

Q. Then there was a specific duty of 28 cents a pound? A. No, 40 cents a pound.

Q. A specific duty of 40 cents a pound rather. A. And ad valorem.

Q. An ad valorem duty of 36 per cent and excise duty of 3 per cent later on? A. 3 per cent.

valuation, that is the value for duty of the finished fabric when imported into Canada was $1.25?

Q. Yes? A. Now 40 per cent duty, less 10 per cent of that is 36 per cent, and 40 cents per pound is 85 cents. The other charges bring it pretty near up to the price of yarn.

BY MR. McRUER: Q. I think I have got this clear, Mr. Hooper. Let us see if that is the case. The mill sprend, which is the cost of manufacturing distribution and profit, which is all over and above the cost of the raw material, was $1.24 a pound on December 15, 1925? A. Yes, sir.

Q. At that time a valuation was put on of $1.25 a pound for duty purposes? A. Yes, sir.

Q. So that the department started to value an article that cost $1.24 to make and distribute in Canada at $1.25 a pound? A. Yes.

BY THE COMMISSIONER: Q. When imported?

A. When imported.

BY MR. McRUER: Q. When imported. Then the Canadian manufacturer had the benefit of a valuation [illegible] his whole cost of manufacture, distribution and everything except raw material? A. Yes, that is right as far as you have gone.

Q. Then there was a specific duty of 25 cents a pound? A. No, 40 cents a pound.

Q. A specific duty of 40 cents a pound rather.

A. And ad valorem.

Q. An ad valorem duty of 36 per cent and another duty of 5 per cent later on? A. 5 per cent.

BY THE COMMISSIONER: Q. All on $1.25 ?

A. All on $1.25. 36 per cent; 40 cents a pound and 36 per cent.

MR. McRUER: The next Exhibit, my lord, is a statement of laid down prices in Toronto of Japanese fabrics.

THE COMMISSIONER: Of certain Japanese fabrics?

MR. McRUER: Of certain a Japanese fabrics, and there are samples attached.

THE COMMISSIONER: That will be Exhibit 868.

EXHIBIT 868: Statement of laid down prices in Toronto of Japanese fabrics.

MR. KELLOCK: May we have the source of these figures in Exhibit 868?

BY MR. McRUER: Q. Where did you get your information, Mr. Hooper, for the compilation of this statement? A. From customs invoices.

Q. The first one -- we will not go through the details, but the duties leviable on fabrics of an invoice value of $110.31 --

THE COMMISSIONER: Where is that?

THE WITNESS: That is near the bottom, the first fabric, my lord.

THE COMMISSIONER: It says "Invoice value of fabrics and packing" $110.31. That was on July 30 of this year.

THE WITNESS: July 30 of this year, my lord.

BY MR. McRUER: Q. And the duties leviable were $205.27 or ~~$186x~~ 186.1 per cent.

BY THE COMMISSIONER: Q. Do you say $205.27?

A. Yes, my lord.

BY THE COMMISSIONER: Q. All on $1.25?

A. All on $1.25. 35 per cent; 40 cents a pound and 25 per cent.

MR. MCFUNK: The next exhibit, my Lord, is a statement of Lord's own prices in Toronto of Japanese labels.

THE COMMISSIONER: Of certain Japanese labels?

MR. MCFUNK: Of certain Japanese labels, and there is a sample attached.

THE COMMISSIONER: That will be exhibit 328.

EXHIBIT 328: Statement of Lord down prices in Toronto of Japanese labels.

Q. MR. MCFUNK: May we have the source of these figures in Exhibit 326?

BY MR. MCFUNK: Q. Where did you get your information, Mr. Hooper, for the compilation of this statement? A. From customs invoices.

Q. The first one -- we will not go through the details, but the duties payable on items of an invoice value of $110.31 --

THE COMMISSIONER: Where is that?

THE WITNESS: That is near the bottom, the second from it, my Lord.

THE COMMISSIONER: It says "Invoice value of labels and packing", $110.31. That was on July 30 of this year.

THE WITNESS: July 30 of this year, my Lord.

BY MR. MCFUNK: Q. And the duties payable were $4.47 or $1.25.

BY THE COMMISSIONER: Q. Do you say $305.27?

A. Yes, my Lord.

Q. That is total duties, freight and insurance.

MR. McRUER: Oh yes, I beg your pardon.

THE COMMISSIONER: The freight and insurance amount to $13.58.

MR. McRUER: Yes. And the laid down cost of the fabric is $1.38 per pound. Where did you say you got this information, Mr. Hooper?

THE WITNESS: From customs invoices.

BY MR. McRUER: Q. Take the next article. 38" cotton back rayon satin. Is that a mixed rayon and cotton? A. Yes, sir.

Q. That is one of those fabrics that comes under the item which makes cotton fabrics with any amount of rayon dutiable under the rayon item? A. Yes, sir.

Q. The invoice value of the fabric and packing was $81.16, and the duties, freight and insurance amount to $161.99, of which $9.99 is freight and insurance, or 199.6 per cent on a laid down cost of $1.25 a yard.

BY THE COMMISSIONER: Q. That original figure of $107.79 is invoice price ? A. No, my lord. The invoice price is $81.16. The $107.79 is the value in yen at the proclaimed rate of exchange, 39.50 cents. We have computed the invoice or selling price at the current rate of exchange.

Q. That shows the difference between the current rate and the fixed rate? A. My lord, you will notice that under dumping duty I have shown there an invoice value of $28.25 .

Q. Yes.

Q. That is total duties, freight and insurance.

MR. McGUIRE: Oh yes, I beg your pardon.

THE COMMISSIONER: The freight and insurance is $12.[illegible].

MR. McGUIRE: Yes. And the landed duty cost of the fabric is $1.28 per pound. Where did you say you got this information, Mr. Hooper?

MR. [illegible]: From customs invoices.

BY MR. [illegible]: Q. Take the next article, 38" cotton back rayon satin. Is that a mixed rayon and cotton? A. Yes, sir.

Q. That is one of those fabrics that comes under the item which means cotton fabrics with any amount of rayon dutiable under the rayon item?

A. Yes, sir.

Q. The invoice value of the fabric and packing was $40.10, and the duties, freight and insurance amount to $[illegible].99, of which $9.99 is freight and insurance, or 199.6 per cent on a landed duty cost of $1.20 a yard.

BY THE COMMISSIONER: Q. That original invoice of $107.79 is invoice price? A. No, my lord. The invoice price is $81.16. The $107.79 is the value in yen at the prevailing rate of exchange, 39.30 cents. We have computed the invoice or selling price at the current rate of exchange.

Q. What shows the difference between the current rate and the fixed rate? A. My lord, you will notice that under duplicate duty I have shown there an invoice value of $38.25 .

Q. You.

BY MR. McRUER: Q. Continuing sample No.3, the invoice value of the sample and packing is $61.61, and the total duties, freight and insurance $129.41, of which $9.04 is for freight and insurance showing duties of 210 per cent, making a laid down cost of the fabric $1.19 a pound? A. Yes.

Q. And No.4 sample shows an invoice value of $80.79, total duties, freight and insurance $158.20, of which $11.88 is freight and insurance, or duties of 195.8 per cent? A. Duties, freight and insurance. Deduct that 14.6, and then you get 181.2 per cent as customs duties.

Q. I see. The laid down cost of the fabric is? A. $1.30.

Q. The next works out just about the same. The laid down cost is $1.30 per pound? A. Yes.

Q. And the next one works out practically the same percentage of duties, freight and insurance. And it works out to $1.32 per pound. A. That is the 54" fabric.

Q. I see. Now the next one is rayon striped satin crepe. What weight of cloth would this be, do you know? It does not show here, does it? How many yards to the pound? A. I must have known it. It is 3½ yards per pound.

MR. KELLOCK: Could Mr. Hooper give us the yards per pound for these various items?

THE WITNESS: I could give them to you or you could work them out for yourself. The weight is in there per thousand yards, and you would simply have to divide the weight by one thousand.

MR. KELLOCK: I see.

BY MR. MORRIS: Q. Continuing sample No.3, the invoice value of the sample and packing is $61.61, and the total duties, freight and insurance $124.41, of which $9.04 is for freight and insurance showing duties of 210 per cent, making a laid down cost of the fabric $1.19 a pound? A. Yes.

Q. And No.4 sample shows an invoice value of $60.79, total duties, freight and insurance $156.20, of which $11.88 is freight and insurance, or duties of 195.8 per cent? A. Duties, freight and insurance. Deduct that 14.6, and then you get 181.2 per cent as customs duties.

Q. I see. The laid down cost of the fabric is? A. $1.80.

Q. The next worm out just about the same. The laid down cost is $1.30 per pound? A. Yes.

Q. And the next one works out practically the same percentage of duties, freight and insurance. And it works out to $1.32 per pound. A. That is the 34" fabric.

Q. I see. Now the next one is rayon striped marin crepe. What weight of cloth would this be, do you know? It does not show here, does it? How many yards to the pound? A. I must have known it. It is 3½ yards per pound.

MR. KELLOCK: Could Mr. Hooper give us the yards per pound for these various items?

THE WITNESS: I could give them to you or you could work them out for yourself. The weight is 1½ [illegible] per thousand yards, and you would simply have to divide the weight by one thousand.

MR. MORRIS: I see.

MR. BLAIR GORDON: What about the weight of the other yarns?

THE WITNESS: I could not tell that.

MR. McRUER: The next is a statement of comparative selling prices, per yard, Canadian and American real silk fabrics. We are away from rayon now.

THE COMMISSIONER: You are away from rayon fabrics, and you are getting into real silk now?

MR. McRUER: Now.

THE COMMISSIONER: That will be Exhibit 869.

EXHIBIT 869: Statement of comparative selling prices, per yard, Canadian and American, real silk fabrics.

BY MR. McRUER: Q. Referring to Exhibit 869, Mr. Hooper, you haven't anything for 1929 on the Canadian fabric? A. No.

Q. And you have nothing on the American from 1930 to 1935? A. No.

Q. The first one -- A. It just shows the prices at that time, which was April, are lower in Canada than they were in the United States on those samples. There is not much use in computing the duty on American silks.

Q. Because they start off at a higher value? A. Higher value.

Q. So if we added the duties on to that it would just make it just that much higher for importations into Canada.

BY THE COMMISSIONER: Q. The last you have is January this year, Canadian? A. Yes, my lord.

MR. HALIN SOMMON: What about the weight of the otherwise?

THE WITNESS: I could not tell that.

MR. McKIM: The next is a statement of comparative selling prices, per yard, Canadian and American real silk fabrics. We are away from rayon now.

THE COMMISSION: You are away from rayon fabrics, and you are getting into real silk now?

MR. McKIM: Now.

THE CONMISSION: That will be Exhibit 889.

EXHIBIT 889: Statement of comparative selling prices, per yard, Canadian and American, real silk fabrics.

BY MR. McKIM: Q. Referring to Exhibit 889, Mr. Hooper, you haven't anything for 1929 on the Canadian fabrics? A. No.

Q. And you have nothing on the American from 1930 to 1932? A. No.

Q. The first one -- A. It just shows the prices at that time, which was April, are lower in Canada than they were in the United States on these samples. There is not much in comparing the duty on American silks.

Q. Because they start off at a higher value? A. Higher value.

Q. So if we added the duties on to that it would just make it just that much higher for importations into Canada.

BY THE COMMISSIONER: Q. The last year have in [illegible] year, Canadian? A. Yes, my lord.

BY MR. McRUER: Q. Is that comparable fabric? A. Exactly the same fabric.

MR. WATSON: What is the construction?

THE WITNESS: I say it is the same fabric.

MR. WATSON: If you do not know the construction how do you know if it is or not?

THE WITNESS: Both fabrics are made by the same firm in the United States and Canada.

MR. WATSON: Did they say they were the same construction?

THE WITNESS: Yes.

MR. KELLOCK: What is the source of the American selling prices?

THE WITNESS: The American company, Cohen Hall and Marx. And the Canadian selling prices are Associated Textiles.

-- The Commission adjourned for a few minutes.

(Page 11977 follows)

BY MR. FOSTER: Q. Is that commercial fabric?

A. Simply the same fabric.

MR. WATSON: What is the construction?

THE WITNESS: I say it is the same fabric.

MR. WATSON: If you do not know the construction how do you know if it is or not?

THE WITNESS: Both fabrics are made by the same firm in the United States and Canada.

MR. WATSON: Did they say they were the same construction?

THE WITNESS: Yes.

MR. WATSON: What is the source of the American selling price?

MR. FOSTER: The American Company, Crane Bell and Wax. And the Canadian selling prices are Associated Textiles.

-- The Commission adjourned for a few minutes.

(Page 11977 follows)

-- After recess:

MR. McRUER: My lord, Mr. Hooper has just pointed out to me in reference to Exhibit 866 that the first two items on that Exhibit dealing with the American fabric, that the American fabric has a cotton warp in it and there should be a correction in the exhibit because it is not comparable to the Canadian exhibit, which is all rayon. So that I am asking him to make a proper note on the exhibit. He wants to work it out.

THE COMMISSIONER: Does that apply to all of these?

MR. McRUER: No, just the first two.

THE WITNESS: The difference in price would be approximately 30 cents.

MR. McRUER: That would be between the cost of the rayon warp and the cotton warp. It would bring it up to about $1.27 a pound? A. You would have to find out what percentage of cotton and rayon in there but it would bring it around in line with the other fabrics, about $1.27, taking into account 120 denier yarn being used.

Q. Which is the more expensive, the cotton or the-- A. The rayon is more expensive. It would not be over 30 cents.

MR. KELLOCK: Q. How about the last one on that page, on that Exhibit - is it all right? A. They have two dashes in there, that is the only thing, that should be 00, 100 denier.

THE COMMISSIONER: What is the correction?

-- after recess:

MR. MORGAN: My lord, Mr. Hooper has just pointed out to me in reference to Exhibit 886 that the first two items on that Exhibit dealing with the American fabric, that the American fabric has a cotton warp in it and there should be a correction in the exhibit because it is not comparable to the Canadian exhibit, which is all rayon. So that I am asking him to make a proper note on the exhibit. He wants to work it out.

THE COMMISSIONER: Does that apply to all of these?

MR. MORGAN: No, just the first two.

THE WITNESS: The difference in price would be approximately 40 cents.

MR. MORGAN: That would be between the cost of the rayon warp and the cotton warp. It would bring it up about $1.27 a pound? A. You would have to find out what percentage of cotton and rayon in there but it would bring it around in line with the other fabric about $1.27, taking into account 180 denier yarn being used.

Q. Which is the more expensive, the cotton or the rayon? A. The rayon is more expensive. It would not be over 50 cents.

MR. KELLOCK: Q. How about the last one on that page, on that Exhibit - is it all right? A. [illegible] have two items in there, that is the only thing, that should be 30, the basis.

MR. McRUER: It should be 100/40 instead of 1--/40, right in 38/39.

THE COMMISSIONER: That should be 140?

MR. McRUER: 100/40.

Now, this next Exhibit deals with cotton and wool blankets.

THE COMMISSIONER: Q. We are away from the real silk already? A. Yes.

MR. McRUER: Just before we give this exhibit a number I was suggesting to Mr. Hooper that he might work up a statement on the real silk showing the duties payable on these fabrics had they been imported so that we may know just what the duties are and the affect of them, rather than just leave it the way it is, that the selling price is higher in the United States. Even though the duties are not working we would like to know how they work.

THE COMMISSIONER: We will leave number 870 for that and make this one Exhibit 871.

EXHIBIT 870: Statement on real silk showing the duties payable, had they been imported.

EXHIBIT 871: Statement re cotton and wool (Not less than 5% wool) blankets.

MR. McRUER: Q. Now, you are dealing in this Exhibit with a blanket which is composed of a mixture of cotton and wool? A. Yes, sir.

Q. "Not less than 5% wool." - why that?

A. That is the American description of it. They have a law there that they must show on the blanket the composition and it is divided "Not less than 5%"

MR. MARTIN: (A minute by Leo's watch of 3--40, right in 40).

THE COMMISSIONER: That should be 1402

MR. MARTIN: Yes.

Now, this next Exhibit deals with cotton and wool blankets.

THE COMMISSIONER: Q. We are away from the rosal silk already? A. Yes.

MR. MOLONEY: Just before we give this exhibit a number I was suggesting to Mr. Hooper that he might work up a statement on the rosal silk showing the duties payable on those fabrics had they been imported so that we may know just what the duties are and the effect of the tariff that just leaves it one way or the, that the tariff price is higher in the United States. Even though the duties are not working we would like to know how they

THE COMMISSIONER: We will leave number 870 for that and make this one Exhibit 871.

EXHIBIT 870: Statement on rosal silk showing the duties payable, and they been imported.

EXHIBIT 871: Statement re cotton and wool (Not less than 5% wool) blankets.

MR. MOLONEY: Q. Now, you are dealing in this exhibit with a blanket which is composed of a mixture of cotton and wool? A. Yes, sir.

Q. "Not less than 5% wool." - Why that?

A. That is the question bearing on it. Now, they have to make that they must show on the blanket

and "Not less than 25%."

Q. And it has a satin binding - does that have any significance? A. There is a binding, that costs a little bit more.

Q. It has not any significance in regard to tariff? A. No.

THE COMMISSIONER: Q. Does this mean that blankets, whether of cotton or of wool, have the same duty? A. Yes, my lord.

MR. McRUER: Q. That is correct? You understand his lordship's question, that blankets whether of cotton or wool have the same duty leviable against them if imported? A. Yes, sir. I think this should be Sateen binding, the description at the top.

THE COMMISSIONER: Q. What is sateen made out of? A. Cotton, my lord.

MR. KELLOCK: Q. Can we have the source of your American selling price? A. The American manufacturer.

Q. The name? A. Pepperell.

MR. McRUER: Let us see the affect of this. In 1930 the duty leviable on a hundred pairs of these blankets being imported into Canada would amount to $68.25.

THE COMMISSIONER: Value of $200.00.

MR. McRUER: At a value of 200.00, yes. In 1930, a change in the rate was made. The former rate was 35% ad valorem and in 1930 it became 35% ad valorem

and "any less than 3cd."

Q. And it has a satin binding - does that have any significance? A. There is a binding, that costs a little bit more.

Q. It has not any significance in regard to tariff?

A. No.

THE COMMISSIONER: Q. Does this mean that blankets whether of cotton or of wool, have the same duty?

A. Yes, my lord.

MR. MORDEN: Q. That is correct? You understand his lordship's question, that blankets whether of cotton or wool have the same duty leviable against them if imported? A. Yes, sir. I think this should be satin binding, the description at the top.

THE COMMISSIONER: Q. What is satin made out of?

A. Cotton, my lord.

MR. MORDEN: Q. Can we have the source of your American selling price? A. The American manufacturer.

Q. The name? A. Pepperell.

MR. MORDEN: Let us see the effect of this. In 1930 the duty leviable on a hundred pairs of those blankets being imported into Canada would amount to $40.00.

THE COMMISSIONER: Value of $600.00.

MR. MORDEN: Yes. Q. Is there a change in the rate this year? A. The tariff has

and 30 cents a pound -- that is correct?

A. Yes.

THE COMMISSIONER: They have here an "Increase of 161% on $200." Is that right?

MR. McRUER: Q. On the value of $200.00, 161%?

A. Yes, sir.

Q. Well now, on the importation here shown as of the 15th of January, 1931, the ad valorem duty amounted to $56.82, and the specific duty $105.00? A. Yes, sir.

Q. Now, the ad valorem was at the same rate as prevailed before the September increase in 1930?

A. Yes, sir.

Q. So that the effect of the increase was that $105.00 more duty was paid on $162.33 article than would have been paid had the old duties prevailed? A. Yes, sir.

Q. Then when we get down to the 25th of March, 1933, the selling price in the United States was $140.00, the ad valorem duty was $58.89 and that would have been the same as prior to September but the additional duties imposed after September amounted to $114.96, that is correct, with the excise and specific?

A. The additional duties imposed, you mean?

Q. Yes? A. Yes, additional duties imposed.

Q. Just what percentage of increase is that - about 200%? A. Yes.

Q. Just about exactly 200%? A. Yes. You have to deduct your cash discount or value for duty would

— that is correct?

A. Yes.

THE COURT ADJOURNED: They have here an increase of 16% on $200.? Is that right?

MR. [illegible]: Q. On the value of $200.00, 16%?

A. [illegible].

Q. Well now, on the importation here shown as of the 1st of [illegible], 1921, the ad valorem duty amounted to $66.66, and the specific duty $126.00? A. Yes, sir.

Q. Now, the ad valorem was at the same rate as prevailed before the September increase in 1920?

A. Yes, sir.

Q. So that the effect of the increase was that $120.00 more duty was paid on $166.66 article that would have been paid had the old duties prevailed? A. Yes.

Q. Then when we get down to the 28th of March, 1922, the selling price in the United States was $120.00, the ad valorem duty was $36.00 and that would have [illegible] that is correct, with the excise and specific?

A. The additional duties imposed, you mean?

Q. What [illegible] duties imposed?

A. Just what percentage of increase is that - about [illegible]?

A. [illegible].

A. Yes. You have

be even lower if you go back to 1930.

Q. Well, it is conservative to put it at 200% increase? A. Yes, that would be just about the correct figure, 200%.

Q. Well then, in addition to that was there a dumping duty in 1932 and 1933 there? A. No.

Q. There was no dumpting duty on account of the currency? A. No, no dumping duty on account of currency. They would pay American funds.

Q. Well, let us see what has been happening in Canada. On the 17th of February, when $108.32 additional duty was payable on the article as imported of that date as compared with prior to September 30th, the selling price in Canada was $265 as against the value, including duty and excise if imported, $325.04, but had the duty remained at 35% the Canadian consumer would have been able to have purchased the goods here, duty paid, at $220, which would have been about $105 less than they were selling here? A. No, $45.00 less than they were selling here.

Q. They sold here for $325.00? No, $265.00. And he selling price went up in the United States from that time to February, 1935, and it was down considerably in 1936. Let us see what duties are applicable now? A. 30% and 25¢ per pound.

THE COMMISSIONER: Q. We are on the intermediate tariff? A. Yes.

MR. McRUER: Q. On an article costing in the

United States $171.48 to-day there is $51.60 ad valorem, $87.50 specific, and $9.33 excise? A. $148.43.

Q. The selling price in the United States is $171.48 as against $225.00 in Canada, that is correct? A. Yes.

Q. On the last item you have been able to get a quotation? A. That is correct.

Q. And these are the samples to be attached to that Exhibit? A. Yes, American and Canadian.

MR. McRUER: The next Exhibit, my lord, is the Mill spread on the fabrics shown in the last Exhibit.

THE WITNESS: Blankets.

EXHIBIT 872: Comparative statement of mill spreads - part wool (Not less than 5% wool) blankets.

MR. KELLOCK: On Exhibit 871, the Canadian selling prices were what - what mill? A. Canadian cottons.

MR. McRUER: Now, to-day in January, 1936, the mill spread in the Canadian mill is shown to be $43.71 per pound, is that it? A. Cents per pound, yes.

Q. The American 36.35 or a difference of 7.36 cents per pound, or there seems to be a duty of about 90% but a difference in mill spread of about 18%? A. Yes. Of course the duty is $148.43 and the mill spread is 43.71.

Q. I do not quite understand that? A. The duty is $148.43.

Q. The duty shown on Exhibit 871 in April, 1936, is $148.43? A. Yes.

[illegible] $87.50 specific, and $4.50 excise? A. $142.42.

Q. The selling price in the United States is $171.42 as against $250.00 in Canada, that is correct? A. Yes.

Q. On the last item you have been able to get a [illegible]? A. That is [illegible].

Q. And those are the [illegible] to be returned to [illegible]? A. Yes, sections and [illegible].

MR. MOSS Q.: The most [illegible], my lord, is the mill spread on the fabrics shown in the last exhibit.

THE COMMISSIONER: Illegible.

MR. MOSS: Comparative statement of mill spreads part wool (not less than 50 wool) blankets.

MR. WHITCOMB: On exhibit 271, the Canadian selling price [illegible] - [illegible]?

MR. MOSS: Now, to-day in January, 1950, the mill spread in the Canadian mill is shown to be $44.71 per pound, is that it? A. Cents per pound, yes.

Q. The American 30.5 or a difference of 7.35 cents per pound, or there seems to be a duty of about 50% [illegible]?

A. Yes. Of course the duty is $142.42 and the mill spread is 44.71.

Q. I do not quite understand that? A. The duty is $142.42.

Q. The duty [illegible] 271 is [illegible], [illegible].

Q. Now, the mill spread - if you could just convert the 100 pairs in and find out what the total mill spread would be it would help me? A. $168.71.

MR. McRUER: The next exhibit deals with cotton blankets, my lord.

EXHIBIT 873: Statement of prices, duties leviable and Canadian price cotton blankets. No sample attached.

Q. Now, this fabric cost in the United States in January, 1930, $110.00 - that is for 100 pairs, is that correct? A. Yes.

Q. The duty leviable was at the rate of 27½% ad valorem or amounting to $29.49. In 1930 the rate was changed from 27½% to 35% and 30¢ per pound- that is correct? A. Yes, sir.

Q. Or you have in your notes, "310% increase on the $110.00" item? A. That is correct.

Q. Now, your next figure deals with a price on the 15th of January, 1931? A. Yes, sir.

Q. The selling price in the United States was $85.00 and I notice that the specific duty alone was $82.50? A. Yes.

Q. Or the two duties together $112.25? A. Yes.

Q. And then on top of that we have the excise tax added in due course and on the 25th of March, 1933 the sale price of these blankets would be $70.00 in the United States, the specific duty alone $82.50 and the excise tax on top, $5.88. Total duties and

Q. Now, the mill spread - if you could just give me the 100 pairs in and find out what the total mill spread would be it would help me? A. $185.71.

MR. BERGER: The next exhibit deals with cotton dungarees, or jeans.

EXHIBIT 72: Statement of prices, duties levied and resulting prices cotton dungarees. No change in evidence.

Q. Now, this fabric cost in the United States in January, 1960, $10.00 - that is for 100 pairs, is that correct? A. Yes.

Q. The duty levied was 14 cents ad valorem or amounting to $4.48. In 1960 the rate was changed from 27½ to 30% and 10¢ per pound - that is correct? A. Yes, sir.

Q. Or, as we have in your notes, "30% increase on duty." A. That is correct.

Q. Now, your next figure deals with a price on the [illegible], 1962? A. Yes, sir.

Q. The selling price in the United States was $[illegible] and I notice that the specific duty alone was $[illegible]? A. Yes.

Q. Of the two duties together $[illegible]? A. Yes.

Q. And then on top of that we have the excise tax added in due course and on the cost of import, 1962 the sale price of these blankets would be $[illegible] in the selling country, the equivalent [illegible]

excise leviable on the article that would cost in Canadian funds $84.13 are $117.83? A. That is right.

THE COMMISSIONER: This is only American?

MR. McRUER: That is right.

THE WITNESS: The weight is different, that is why you cannot compare it.

Q. The weights of the cloth? A. Yes.

Q. And we come down to the intermediate rate prevailing since the 1st of January, 1936. To-day an article costing in the United States $107.00 - at least the last item in April, 1936, - the duties payable are $32.20, $68.75, and $6.25? A. $107.20.

Q. So we have exactly 100% duty leviable in 1936. Now, your next statement is a statement of mill spreads on cotton blankets - is that similar to the fabric dealt with in 872? A. Exhibit 873, is not it?

EXHIBIT 874: Statement of mill spreads - cotton blankets.

MR. McRUER: Q. Now, on this I notice that you attempt to put in the American Mill spreads. How do you do that if you do not have the same fabric?
A. No, I put in on a per pound basis.

Q. Now, the mill spread on the 17th of March, 1930, was 36.16. On the 3rd of October, 1931, it had risen to 41.40 and with the exception of the 3rd of September, 1932, when it went to 35.99, it was maintained at a higher rate than it was on the 17th of March, 1930 down to the 16th of January, 1936,

excise levisable on the article that would cost in
[illegible] 1941 and MAY,MAY. A. That is [illegible].

THE COURT REPORTER: This is only assertion?

MR. MORTON: That is right.

THE ITEMS: The weight is different, that is why
you cannot compare it.

Q. The weights of the cloth? A. Yes.

Q. And we come down to the intermediate rate
prevailing since the 1st of January, 1936. To-day on
article costing in the United States $107.00 - at least
the last item in April, 1936, - the duties payable
are $36.00, $38.75, and $6.25 = $107.00.

Q. So we have exactly 1936 duty levisable in 1938.
Now,your next statement is a statement of mill sprends
on cotton blankets - is that similar to the fabric
dealt with in 9727? A. Exhibit 974, is not it?

EXHIBIT 974: Statement of mill sprends - cotton
blankets.

MR. MORTON: Q. Now, on this I notice that you
attempt to put in the American Mill sprends. How do
you do that if you do not have the same fabric?
A. No, I put in on a per pound basis.

Q. Now, the mill sprend on the 1st of January, 1936,
was 36.16. On the 3rd of October, 1938, it had
risen to 41.40 and with the exception of the 3rd of
September, 1938, when it went to 32.38, it was
maintained at a higher rate than it was on the 17th
of June, 1936 down to the 15th of January, 1938,

and we get the increase in the American mill spread reflected again at the same time as the increase in wages took place.

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-- The Commission adjourned at 12.30 P.M. to resume at 2.15 P.M.

AFTERNOON SESSION

-- The Commission resumed at 2.15 p.m.

GORDON HOOPER, examination continued,

BY MR. McRUER: The next exhibit will deal with carpets, my lord.

THE COMMISSIONER: 875.

EXHIBIT NO. 875: Selling price in England and duties payable on importation into Canada on tapestry carpet.

BY MR. McRUER: Q. This shows the selling price of 1,000 square yards of carpet in the United Kingdom, the duties payable on importation into Canada?

A. Yes, sir.

Q. It is not a comparative statement of Canadian selling prices of a similar carpet? A. In this exhibit you are dealing with I don't believe similar fabrics are made here to-day.

Q. What sort of carpet is this? A. It is a tapestry.

Q. When you say there are not similar ones made here to-day, what do you mean, Mr. Hooper, no carpet of the identical construction? A. Of that type.

Q. Are there carpets that fill the same requirements for use in the home made here to-day?

A. I would say the Guelph Carpet Company were making these rugs, these carpets; I don't know whether they are to-day or not.

Q. Now, where did you get your information for this? A. From the Association of

A F T E R N O O N S E S S I O N

-- The Commission resumed at 2.15 p.m.

BY MR. MOYNAN: The next exhibit will deal with carpets, or lack.

-- THE COMMISSIONER: Eh.

EXHIBIT NO. 872: Selling prices in Canada and duties payable on importation into Canada on tapestry carpet.

BY MR. MOYNAN: Q. This shows the selling price of 1,000 square yards of carpet in the United Kingdom, the duties payable on importation into Canada?

A. Yes, sir.

Q. It is not a comparative statement of Canadian selling prices of a similar carpet? A. In this exhibit you are dealing with I don't believe similar fabrics are made here to-day.

Q. What sort of carpet is this? A. It is a tapestry.

Q. When you say there are not similar ones made here to-day, what do you mean, Mr. Hooper, no carpet of the identical construction? A. Of that type.

Q. Are there carpets that fill the same requirements for use in the home made here to-day?

A. I could say the Axminster carpet [illegible] there, those already I don't know whether they are to-day or not.

Q. Now, where did you get your information for this? A. From the association of

Carpet Manufacturers of Great Britain; I believe that is the title.

Q. What exhibit number is this? A. 875.

Q. This deals with one thousand square yards. The value for duty purposes in Canadian funds in 1930 is $810.60; 25% ad valorem duty less 10% makes the duty payable $182.39 at that time. In September, 1930, after September 17th the duty was 30% plus 10 cents per square foot less 10%, or an increase of 171%. The specific duty on that piece was then $270, or $45 in round figures more than the ad valorem duty of 30%? A. Just a minute, Mr. McRuer; I want to figure something out here.

Q. Alright. A. That should be $810.

Q. What should be $810? A. Instead of $270, shouldn't it?

Q. It is 10 cents a square foot. A. That is 90 cents a square yard. That would be $900.

Q. Is it one thousand lineal yards or one thousand square yards? A. Oh yes, that is right, $270, 1,000 lineal yards, it comes to 30 cents a yard, that is right.

Q. 30 cents a lineal yard? A. Yes, that is right.

Q. Then, on top of that we have the excise duties coming on in due course. Then, on the 13th of October, 1932 there was a reduction in the specific duty, but no reduction in the ad valorem? A. Yes.

Q. No reduction in the ad valorem duty; that is

carpet manufacturers of Great Britain; I believe that is the title.

Q. What exhibit number is that? A. 878.

Q. This deals with one thousand square yards.

The value for duty purposes in Canadian funds in 1920 is $810.60; 25% ad valorem duty less 10% makes the duty payable $182.39 at that time. In September, 1922 after September 17th the duty was 30¢ plus 10 cents per square foot less 10%, or an increase of 171%. The specific duty on that piece was then $270, or 33⅓ in round figures more than the ad valorem duty of 30%.

A. Just a minute, Mr. Morner; I want to figure something out here.

Q. What should be $810? A. Instead of $270, should'nt it?

Q. It is 10 cents a square foot. A. That is 30 cents a square yard. That would be $300.

Q. Is it not thirteen linear yards in one thousand square yards? A. No, that is 1296.

$270, 1,000 linear yards, it comes to 30 cents a yard that is right.

Q. 30 cents a linear yard? A. Yes, that is right.

Q. Then, on top of that we have the excise duties coming on in dues amount, on the 30th of June 1922 there was a reduction in the excise duty, but no reduction in the ad valorem? A. Yes.

Q. No reduction in the ad valorem duty; that is

correct, is it not? A. Yes, sir.

Q. In May, 1935 there was a further reduction in the specific duty and the ad valorem duty remained the same, and there has been no change since that time? A. No, sir.

Q. So now we have this situation that the ad valorem duty is 30% as against 25% prior to 1930, and a specific duty of 3 cents a square foot? A. Yes, sir.

Q. The specific duty now on this importation would amount to $81.00 as against -- A. Of course, that should read 30% and three cents a square foot less 10%.

Q. Yes, less 10%, that is correct. The next exhibit, my lord, deals with one thousand yards plain Imperial Wilton carpet.

THE COMMISSIONER: Exhibit 876.

EXHIBIT NO. 876: Statement of United Kingdom selling prices and Canadian duties on Imperial Wilton carpet.

BY THE COMMISSIONER: Q. The heading should be "carpets entitled to entry under British preferential tariff, I suppose? A. Yes, my lord.

BY MR. McRUER: Q. Now, this apparently is a more expensive type of carpet, is it? A. Yes, sir.

BY THE COMMISSIONER: Q. 1,000 yards? A. 1,000 yards, 36 inch Wilton.

BY MR. McRUER: Q. A 1,000 yard piece of the other type cost $810 in September, 1930 to purchase in England and this costs $3618.05, so that I take it,

yesterday, is it not? A. Yes, sir.

Q. In July, 1926 there was a further reduction in the specific duty and the ad valorem duty remained the same, and there has been no change since that time? A. No, sir.

Q. So now we have this situation that the ad valorem duty is 30% as against 25% prior to 1920, and a specific duty of 3 cents a square foot? A. Yes, s

Q. The specific duty now on this importation would amount to $81.00 as against -- A. Of course, that should read 30% and three cents a square foot less 10%.

Q. Yes, less 10%, that is correct. The next exhibit, my lord, deals with one thousand yards plain Imperial Axminster carpet.

THE COMMISSIONER: Exhibit 476.

EXHIBIT No. 476: Statement of Walter Lindsay selling prices and Canadian duties on Imperial Axminster carpet.

BY THE COMMISSIONER: Q. The heading should be "Prices realized in entry under British preferential tariff." Is that correct? A. Yes, my lord.

BY MR. HORNER: Q. Now, this apparently is a more expensive type of carpet, is it? A. Yes, sir.

BY THE COMMISSIONER: Q. 1,000 yards? A. 1,000 yards, 36 inch Wilton.

BY MR. HORNER: Q. A 1,000 yard piece of the other type cost $810 in September, 1920 to purchase in England and this costs $1018.05, so that I take it,

Mr. Hooper, these two statements contrast the operation of the specific duties on the lower price carpet?
A. Yes, sir.

Q. The specific duty again is the same on this type of carpet as on the other, and the ad valorem duty is much higher due to the more expensive type?
A. Yes, sir.

Q. But the percentage rate is just the same, of course.

BY MR. KELLOCK: Q. The specific duty is different in 1935? A. Yes, it is still five cents.

BY THE COMMISSIONER: Q. It was only three on the other? A. Yes, my lord.

MR. McKUER: Oh yes, I see. Now, the increase in 1930 on the 1,000 yard piece of the cheaper type of fabric, or cheaper type of carpet was 171%. The increase on the more expensive type was apparently 56¼%? A. Yes, sir.

Q. Well, I think that is all clear, Mr. Hooper.
A. You might reserve a number for the mill spread on carpets when I get them.

Q. Might we reserve exhibit number 877, my lord, for the mill spread on these carpets? Alright.
A. I didn't make any statement as to items under 568 for the simple reason --

Q. 568 is what? A. Tariff item 568, cotton fabrics and knitted goods.

Q. Yes. A. When the specific duty was put on the fabrics there was already a fixed valuation on the fabrics so this was an additional specific duty

Mr. Hooper, these two statements contrast the operati
of the specific duties on the lower price carpet?

A. Yes, sir.

Q. The specific duty again is the same on this type of carpet as on the other, and the ad valorem duty is much higher due to the more expensive type?

A. Yes, sir.

Q. But the percentage rate is just the same, of course.

BY MR. HARCOURT: Q. The specific duty is all foreign in 1928? A. Yes, it is still five cents.

BY THE COMMISSIONER: Q. It was only three on the other? A. Yes, my lord.

MR. McTAGGART: Oh yes, I see. Now, the increase in 1930 on the 1,000 yard piece of the cheaper type of fabric, or cheaper type of carpet was 17%. The increase on the more expensive type was apparent only? A. Yes, sir.

Q. Well, I think that is all clear, Mr. Hooper.

A. You might reserve a number for the mill spread on general sale I put there.

Q. Might we reserve exhibit number 877, my lord, for the mill spread on table-spread. ADMITTED.

A. I didn't make any statement as to items under 566 for the simple reason --

Q. 566 is what? A. Tariff item 566, cotton fabrics and knitted goods.

Q. Yes.

A. There was already a fixed valuation on the fabrics so this was an additional specific

duty on the fabrics, and it just about prohibited importation of fabrics at the time.

Q. Just a moment till we understand that; on the knitted goods, you say? A. Knitted fabrics.

Q. Knitted fabrics, there was a fixed valuation; when was that put on? A. We can put that in as an exhibit now, Mr. McRuer.

THE COMMISSIONER: We are back to what now?

MR. McRuer: This is knitted goods, my lord.

THE COMMISSIONER: What exhibit would be the last one?

MR. McRUER: 876; then, 877, your lordship was reserving.

THE COMMISSIONER: You are still on carpets?

A. No, we have finished with carpets.

Q. What are you referring to now?

MR. McRUER: We are going on to a new one.

THE COMMISSIONER: I thought you said we were re-opening something.

MR. McRUER: We are opening a new branch.

THE COMMISSIONER: This is knitted fabrics?

MR. McRUER: This is knitted fabrics.

BY THE COMMISSIONER: Q. When you say knitted fabrics you mean of all materials? A. In this regard it provides only for -- as far as this bulletin goes it provides only for advances on wool jersey cloth and cotton stockinette.

BY MR. McRUER: Q. We have had filed the history of the tariff on these articles? A. Yes, sir.

duty on the fabrics, and it just about prohibited importation of fabrics at the time.

Q. Just a moment till we understand that; on the knitted goods, you say? A. Knitted fabrics.

Q. Knitted fabrics, there was a fixed valuation; when was that put out? A. We can put that in as an exhibit now, Mr. Hooper.

THE COMMISSIONER: We are back to what now?

MR. Hooper: This is knitted goods, my lord.

THE COMMISSIONER: What exhibit would be the last one?

MR. HOOPER: 876; then, 877, your lordship was reserving.

THE COMMISSIONER: You are still on carpets?

A. No, we have finished with carpets.

Q. What are you referring to now?

MR. HOOPER: We are going on to a new one.

THE COMMISSIONER: I thought you said we were [illegible] woollens.

MR. HOOPER: We are opening a new branch.

THE COMMISSIONER: This is knitted fabrics?

MR. HOOPER: This is knitted fabrics.

BY THE COMMISSIONER: Q. When you say knitted fabrics you mean [illegible] A. In this regard it provides only for -- as far as this bulletin goes it provides only for sleeves on wool jersey [illegible].

BY MR. HOOPER: Q. We have had filed the history of the tariff on these articles? A. Yes, sir.

Q. I have forgotten which exhibit; that went in with our earlier exhibits. Now, this is the bulletin which made a tariff by way of a fixed valuation --

BY THE COMMISSIONER: Q. I thought this was in reference to something we had already seen?

A. Yes, tariff item 568, the history of tariff item 568.

Q. Alright, this is exhibit 878, tariff item 568, what is the material?

MR. McRUER: It is an appraisers' bulletin dated the 7th of June, 1932.

THE COMMISSIONER: June 7th, 1932.

EXHIBIT NO. 878: Appraisers' bulletin dated 7th June, 1932 with cancellation dated 27th December, 1935.

MR. McRUER: It reads as follows:

"By an Order in Council passed under Section 43 of the Customs Act, the Honourable the Minister of National Revenue was authorized to fix the value for duty of Wool Jersey Cloth and Cotton Stockinette and he has, under suth authority, fixed the value for duty thereof at the following advances on the true invoice value at the place of export if in Canadian funds, or its equivalent in Canadian funds, converted at the rate of exchange on the date of shipment:

Wool Jersey Cloth - 25 cents per lb.

Cotton Stockinette- 10 cents per lb.

In the case of goods shipped on consignment without sale prior to shipment, the value for duty shall be the value as sold for home con-

Q. I have forgotten which exhibit; that went in with our earlier exhibits. Now, this is the bulletin which made a lapse in way of a fixed valuation —

BY THE COMMISSIONER: Q. I thought this was in reference to something we had already seen?

A. Yes, tariff item 588, the history of tariff item 588.

Q. Alright, this is exhibit 878, tariff item 588, what is the material?

MR. HOWARD: It is an appraisers' bulletin dated the 7th of June, 1932.

THE COMMISSIONER: June 7th, 1932.

EXHIBIT No. 878: Appraisers' bulletin dated 7th June, 1932 with accompanying letter dated 27th December, 1932.

MR. HOWARD: It reads as follows:

"By an Order in Council passed under Section 43 of the Customs Act, the Honourable the Minister of National Revenue was authorized to fix the value for duty of Wool Jersey Cloth and Cotton Stockinette and he has, under such authority, fixed the value for duty thereof at the following advances on the true invoice value at the place of export if in Canadian funds, or its equivalent in Canadian funds, converted at the rate of exchange on the date of shipment:

Wool Jersey Cloth - 25 cents per lb.

Cotton Stockinette- 10 cents per lb.

In the case of goods shipped on consignment without sale prior to shipment, the value for duty shall be the value by sale, for home con-

"sumption in the usual and ordinary course of trade in like quantity and condition at the time and place of export, converted into Canadian funds at the rate of exchange on the date of shipment plus the above advances.

The provisions of Section 6 of the Customs Tariff Act to apply, and goods shipped on consignment without sale prior to shipment will be subject to the same special duty as if the goods had been sold prior to shipment at aforesaid home consumption value.

The above values not to apply to importations bona fide purchased on or before the 7th June, 1932, and imported and entered at Customs on or before the 7th July, 1932."

Then, on the 27th of December, 1935, this was cancelled, was it not? A. Cancelled effective the 1st of January, 1936.

BY THE COMMISSIONER: Q. By the way, while I think of it; that purports to be done under authority of section 43. Was that done at a time when section 43 dealt with natural products? A. No, this was done afterwards, my lord.

Q. Afterwards? A. Natural products up until 1930.

Q. Up until 1930; what was that supposed to mean in those years before 1930, natural products? A. Fruits and vegetables.

BY MR. McRUER: Q. I think it was just put in

"sumption in the usual and ordinary course of trade in like quantity and condition at the time and place of export, converted into Canadian funds at the rate of exchange or the date of shipment SAME AS WHEN DUTIABLE.

The provisions of Section 6 of the Customs Tariff Act to apply, and goods shipped on consignment without sale prior to shipment will be subject to the same special duty as if the goods had been sold prior to shipment at aforesaid home consumption value.

The above values not to apply to importations some time purchased on or before the 7th June, 1926, and imported and entered at Customs on or before the 7th July, 1926."

Then, on the 27th of December, 1926, this was cancelled. Was it not? A. Cancelled effective the 1st of January, 1926.

BY THE COMMISSIONER: Q. By the way, while I think of it; that purports to be done under authority of section 45. Was that done at a time when section 45 dealt with natural products? A. No, this was done afterwards, my Lord.

Q. Afterwards? A. Natural products up until 1930.

Q. Up until 1930; what was that supposed to mean in those years before 1930, natural products?

A. Wheat and vegetables.

M. McLEAN: Q. Would it be just as in

there for fruits and vegetables so that valuation could be put on at certain seasons of the year? A. Yes. It was put into law in 1923 and became effective in 1928.

BY THE COMMISSIONER: Q. The change was very sweeping? A. Oh yes. I don't know whether you got the significance of this bulletin or not, but this is an advance over the invoice price. It is not setting forth the value for duty.

MR. McRUER: No, I didn't get that, Mr. Hooper.

BY THE COMMISSIONER: Q. You say it is not setting forth the value for duty? A. No, they are not trying to estimate the value for duty as in other cases.

Q. Section 43 authorizes the valuation of such goods for duty? A. Yes, my lord. He has said in this case the fair market value or the value for duty will be the invoice price plus an advance.

Q. Well, that is the value for duty. How does he regulate the advance? A. He has set forth the advance over the invoice price.

MR. McRUER: 25 cents per pound.

BY THE COMMISSIONER: Q. He says, "you will add that to the invoice value and that will be the value for duty"? A. In all cases prior to this the value for duty had been set forth at so much per pound.

MR. McRUER: For instance, on rayon $1.25 per pound was the value for duty. This is its invoice

there for fruits and vegetables so that valuation could be put on at certain seasons of the year?

A. Yes. It was put into law in 1928 and became effective in 1929.

BY THE COMMISSIONER: Q. The change was very sweeping? A. Oh yes. I don't know whether you got the significance of this bulletin or not, but this is an advance over the invoice price. It is not setting forth the value for duty.

MR. MORGAN: No, I didn't get that, Mr. Hooper.

BY THE COMMISSIONER: Q. You say it is not setting forth the value for duty? A. No, they are not trying to estimate the value for duty as in other cases.

Q. Section 49 authorizes the valuation of such goods for duty? A. Yes, my lord. He has said in this case the fair market value or the value for duty will be the invoice price plus an advance.

Q. Well, that is the value for duty. How does he regulate the advance? A. He has not fixed the advance over the invoice price.

MR. MORGAN: 55 cents per pound.

BY THE COMMISSIONER: Q. He says, "you will add that to the invoice value and that will be the value for duty"? A. In all cases prior to this the value for duty had been set forth at so much per pound.

Q. MORGAN: For instance, on raisins $1.25 per pound was the value for duty. This is the invoice

price plus 25 cents a pound.

BY THE COMMISSIONER: Q. So that the value would vary? A. Yes, my lord. This, as I said, became effective, was issued on the 7th of June, 1932, and at that time tariff item 568 read as follows: "Knitted garments, knitted underwear and knitted goods, n.o.p"-- now, I wonder if you could get that exhibit.

BY MR. McRUER: Q. Which exhibit do you want? A. The rates of duty on tariff item 568.

THE COMMISSIONER: Exhibits 124 and 125 and so on?

MR. McRUER: No, at the beginning of Mr. Hooper's evidence.

THE WITNESS: I can get it here, Mr. McRuer.

THE COMMISSIONER: You said at the beginning of Mr. Hooper's evidence; back in Montreal or here?

MR. McRUER: No, here, this last time.

THE WITNESS: Anyway, that tariff item read as follows: "Knitted garments, knitted underwear, knitted goods, n.o.p., British Preferential 25%, intermediate 25%, general tariff 45%".

THE COMMISSIONER: The first exhibit Mr.Hooper filed the other day was 798.

MR. KELLOCK: It appears to be 812, my lord.

THE COMMISSIONER: Yes, history of the tariffs of knitted goods.

BY MR. McRUER: Q. That is the one, yes. A. That was changed at the 22nd of March, 1931 -- no, that is wrong; 1933 that should read. The tariff is wrong in this case.

MR. KELLOCK: That is what the exhibit shows.

price plus 25 cents a pound.

BY THE COMMISSIONER: Q. So that the value would

[illegible]

A. Yes, my Lord.

become effective, was issued on the 7th of June, 1932, and at the time tariff item 558 read as follows: "Knitted garments, knitted underwear and knitted goods, [illegible]. I wonder if you could get [illegible] exhibit.

[illegible]: Which exhibit do you want?

A. The rates of duty on tariff item 558.

THE COMMISSIONER: Exhibits 134 and 135 and so on?

MR. MONTGOMERY: No, at the beginning of Mr. Hooper's evidence.

THE WITNESS: I can get it here, [illegible].

THE COMMISSIONER: You said [illegible] Mr. Hooper's evidence book in Montreal or here?

MR. MONTGOMERY: No, here, this last time.

THE WITNESS: Always, the tariff item read as follows: "Knitted garments, knitted underwear, knitted [illegible], [illegible] 25%, intermediate to [illegible], [illegible] 35%, general tariff 45%".

THE COMMISSIONER: The first exhibit Mr. Hooper filed the other day was 136.

MR. MONTGOMERY: It appears to be 135, my Lord.

THE COMMISSIONER: Yes, history of the tariffs of knitted goods.

[illegible]. [illegible] is [illegible].

A. [illegible] 22nd of March, 1921 -- no, [illegible] [illegible] same rate.

wrong in this case.

MR. MONTGOMERY: That is what the exhibit shows.

THE WITNESS: What?

MR. KEILOCK: The 22nd of March, 1933.

THE WITNESS: Yes, I changed the exhibit to read correctly.

BY MR. McRUER: Q. You mean the book is wrong? A. The book is wrong. It is just the date. It does not matter in this case. The British preferential remained at 25%, the intermediate was 35% and 25 cents a pound and the general tariff 45% and 30 cents a pound.

Q. Now, you were going to explain the effect of this bulletin? A. Well, goods coming in under the intermediate tariff, cotton goods coming in under the intermediate tariff were appraised in 1930 at 25%.

BY THE COMMISSIONER: Q. You say were appraised at 25%? A. Yes, under tariff item 568. After September, 1930 --

Q. You mean they were taxed 25%? A. Appraised and duty assessed at 25%, my mistake. Then, in 1932, after June 7th the value for duty was increased 10 cents a pound and special duty of 10 cents a pound collected.

Q. You mean as a result of this bulletin? A. Yes, my lord.

BY MR. McRUER: Q. That bulletin increased the value for duty by 10 cents a pound. Therefore the invoice price would be below the value for duty that was put on by the department and dumping duty would be collectable; is that the position? A. That is it, the 10 cents being added to the invoice value to arrive at the value for regular and special

THE WITNESS: Yes, sir.

Q. Somewhere the book is wrong, Jack?

THE WITNESS: Yes, I changed the exhibit to read correctly.

BY MR. MORTON: Q. You mean the book is wrong?

A. The book is wrong. It is just the date. It does not matter in this case. The British preferential tariff at 25%, the intermediate was 35% and 50 cents a pound and the general tariff 45% and 30 cents a pound.

Q. Yes, you were going to explain the effect of the Parliament A. Well, goods coming under the intermediate tariff, cotton goods coming in under the intermediate tariff were assessed in 1930 at 25%.

BY THE COMMISSIONER: Q. You say were assessed at 25%? A. Yes, under tariff item 550.

After September, 1930 --

Q. You mean they were taxed 25%? A. Approximated and duty assessed at 25%, my mistake. Then, in 1932, after June 7th the value for duty was increased 10 cents a pound and special duty of 10 cents a pound collected.

Q. You mean as a result of this bulletin?

A. Yes, my Lord.

BY MR. MORTON: Q. The bulletin increased the value for duty by 10 cents a pound. Suppose the invoice price would be below the value for duty that has got to be the assessment and duties may never be collectable; is that the position?

duty would automatically subject the importation to dumping duty because the invoice value would be lower than the fair market value.

Q. The dumping duty having been applied and the increase in the value for duty on which the ad valorem duty would be imposed and the excise had what effect on importations? A. Well, very little cotton stockinette came in after that appraisal was made.

BY THE COMMISSIONER: Q. Have you anything to show how it would affect a given article at a given price? A. The price of cotton stockinette at that time in the United States was about 19½ cents a pound.

Q. What would this make it? A. This would make it, 45% would make it about nine cents a pound ad valorem duty, and then your advance of 10 cents a pound would be 19 -- the advance first would make it 29 cents, my lord, and 45% of that, and then add 10 cents a pound --

Q. 39 cents? A. Yes, it would be about 39 cents a pound laid down here, 100%.

Q. Instead of 19½ cents? A. Yes.

Q. Just about a little over double? A. Yes.

Q. Or just about double? A. Yes.

BY MR. McRUER: Q. You could just make up a little statement; take as near as you could the selling price that prevailed at one date, at the date this appraisal bulletin came into effect, you see? A. Yes.

Q. If you could just make up a short statement it is much easier for us to follow it.

duty would automatically subject the importation to dumping duty because the invoice value would be lower than the fair market value.

Q. The dumping duty having been applied and the increase in the value [illegible] would be imposed and the excise had what effect on importations? A. Well, very little cotton stockinette came in after that appraisal was made.

BY THE COMMISSION M: Q. Have you anything to show how it would affect a given article at a given price? A. The price of cotton stockinette at that time in the United States was about 12½ cents a pound.

Q. What would this make it? A. This would make it, 4½ would make it about nine cents a pound and without duty, one then your average of 10 cents a pound would be 19 -- the average first would make it 29 cents, by-land, and 40% of that, and then add 10 cents a pound --

Q. 29 cents? A. Yes, it would be about 39 cents a pound laid down here, 100%.

Q. Instead of 12½ cents? A. Yes.

Q. Just about a little over double? A. Yes.

Q. [illegible] A. Yes.

BY MR. [illegible]: Q. [illegible]

statement; take as near as you could the selling price [illegible]

[illegible] A. Yes.

Q. If you could just [illegible]

THE COMMISSIONER: I think if you will attach it to that bulletin -- A. Or would you reserve an exhibit for that?

Q. It doesn't matter, just as you like.

BY MR. McRUER: Q. It is just the effect of this bulletin; that is what we want? A. As I said it is very hard to get examples, or values at this time on account of these duties.

Q. Yes, I know there were no importations and you cannot get the invoices at that time, but if you can get one just before it so we can work out a hypothetical case, not an actual one, if you got a value just before th t date , and then work down from that, it will show the effect it had.

THE COMMISSIONER: I will reserve number 879 for that.

MR. KELLOCK: I wonder if Mr. Hooper is right in saying stockinette comes in under 568; should it not be 531? A. You will notice 531, that is importations by rubber foot wear manufacturers.

Q. Yes? A. Imported by manufacturers of rubber boots and shoes for use exclusively in the manufacturing of such articles in their factories.

Q. Isn't that the one that comes in? A. Is that the one?

Q. Is that the kind of stuff that comes in? A. They import that under that item, but there are other items for cotton stockinette.

THE COMMISSIONER: I think if you will attach it to that bulletin -- A. Or would you reserve an exhibit for that?

Q. It doesn't matter, just as you like.

BY MR. MONDAK: Q. It is just the effect of this bulletin; that is what we want? A. As I said it is very hard to get examples, or values at this time on account of these duties.

Q. Yes, I know there were no importations and you cannot get the invoices at that time, but if you can get one just before it so we can work out a hypothetical case, not an actual one. If you got a value just before th t date , and then work down from that, it will show the effect it had.

THE COMMISSIONER: I will reserve number 570 for that.

MR. MONDAK: I wonder if Mr. Hooper is right in saying atoxikinette comes in under 326; should it not be 321? A. You will notice 321, that is importations by rubber foot wear manufacturers.

Q. Yes? A. Imported by manufacturers of rubber boots and shoes for use exclusively in the manufacturing of such articles in their factories.

Q. Isn't that the one that comes in? A. Is that the?

Q. Is that the kind of stuff that comes in?

A. They import that under that item, but there are other items for cotton atoxikinette.

BY THE COMMISSIONER: Q. You mean 531 is for manufacturers? A. Yes, manufacturers of rubber foot wear.

Q. 568 is --

BY MR. KELLOCK: Q. What other kinds of stockinette would there be except 531? A. What other kinds would there be? Packing houses import a great deal of it.

BY MR. McRUER: Q. Is it correct that this article on which a special valuation was put was a raw material for certain manufacturers of foot wear? A. Oh yes.

BY THE COMMISSIONER: Q. How did 531 deal with it? It was the manufacturer got it under 531? A. Yes.

Q. How was he handled?

BY MR. McRUER: Q. Was there a valuation put on under 531? A. It applied to all cotton stockinette.

Q. It applied to it all.

BY THE COMMISSIONER: Q. Does this tariff bulletin apply to 531 as well as 568? A. Yes, my lord, as far as cotton stockinette.

Q. Let me see the bulletin; the bulletin does not refer to any particular item, it just describes the goods. A. It did in the case of artificial silk fabrics.

Q. But not in this case.

BY MR. KELLOCK: Q. Nobody wears stockinette; it is

BY THE COMMISSIONER: Q. You mean 881 is for manufacturers? A. Yes, manufacturers of rubber foot wear.

Q. 568 is --

BY MR. KELLOCK: Q. What other kinds of stockinette would there be except 881? A. What other kinds would there be? Rocking horses import a great deal of it.

BY MR. MORAN: Q. Is it correct that this article on which a special valuation was put was a raw material for certain manufacturers of foot wear?

A. Yes.

BY THE COMMISSIONER: Q. How did 881 deal with it? It was the manufacturer got it under 881?

A. Yes.

Q. How was he handled?

BY MR. MORAN: Q. Was there a valuation put on under 881? A. It applied to all cotton stockinette.

Q. It applied to it all.

BY THE COMMISSIONER: Q. Does this tariff bulletin apply to 881 as well as 568? A. Yes, my lord, as far as cotton stockinette.

Q. Let me see the bulletin; the bulletin does not refer to any particular item, it just describes the goods. A. It did in the case of artificial silk fabrics.

Q. But not in this case.

BY MR. KELLOCK: Q. Nobody wears stockinette; it is

for packing, isn't it? A. Do they wear it?

Q. It is for packing? A. Yes.

Q. When you bring that in the fabric to make underwear, if you are cutting up the fabrics to make underwear here in Canada would not the fabric be imported under 568? A. I don't think it would be likely.

MR. McRUER: People must have worn it or they would not want it here.

MR. KELLOCK: They may have been using it to wrap Christmas presents in it.

MR. McRuer: I never heard of wrapping Christmas presents in stockinette. You get your Christmas presents in your stocking when you are young but I never heard of getting them in stockinette. What about jersey cloth? What is the wool jersey cloth --

THE COMMISSIONER: Just a minute, I am saving 879 for this illustration. A. Yes, I have that marked, my lord.

BY MR. McRUER: Q. Can we have an illustration of wool jersey cloth as well? A. Yes.

Q. One is increased 25 cents a pound and the other ten cents? A. 568 was not changed to affect wool jersey cloth until later on.

Q. I know, but this did affect it. A. That did affect it. I notice here in this exhibit 812 the rate of duty shown under the intermediate tariff for the 17th of September should read 25%, not 35%.

for packing, isn't it? A. Do they wear it?

Q. It is for packing? A. Yes.

Q. When you bring that in the fabric to make underwear, if you are cutting up the fabrics to make underwear here in Canada would not the fabric be imported under 2A8? A. I don't think it would be likely.

MR. BERG K: People must have worn it or they would not want it here.

MR. KELLOCK: They may have been using it to [illegible] it.

MR. Mosser: I never heard of wrapping Christmas presents in stockinette. You get your Christmas presents in your stocking when you are young but I never heard of getting them in stockinette. What about jersey cloth? What is the wool jersey cloth --

THE COMMISSIONER: Just a minute. I am saving 279 for this illustration. A. Yes, I have the marked, my lord.

BY MR. MORGAN: Q. Can we have an illustration of wool jersey cloth as well? A. Yes.

Q. One is interested as ports a pound and the other ten cents? A. 588 was not changed to effect wool jersey cloth until later on.

Q. I know, but this did effect it. A. That did effect it. I notice here in this exhibit 812 the rate of duty, where what is intermediate tariff for the 17th of September should read 22%, not 25%.

Q. 812? A. Yes.

Q. You better correct it now.

THE COMMISSIONER: What is that?

MR. McRUER: In exhibit 812 the rate of duty on the intermediate tariff is 25% instead of 35% under the date of -- A. The 17th of September.

Q. It is a typographical error, my lord. Well now, what next? A. Do you want to reserve a number for exhibits under the woollen and worsted fabrics?

Q. Oh, I would not reserve too many that way.

THE COMMISSIONER: Put it all on the one. It is to illustrate the working of this bulletin?

A. Yes.

Q. If you give several examples of it it can all go in one exhibit.

MR. McRUER: Woollen and worsted fabrics is a different one, my lord.

THE COMMISSIONER: You are on something else; is this an exhibit you have here? A. No, my lord, the information is just coming in now.

Q. When you get it you can give it to us.

A. Alright.

BY MR. McRUER: Q. Alright; now, what next? Now, my lord, when we were in Montreal the question arose as to the price of acetate yarns from Italy and we were to get further information in regard to that, and as a result Mr. Hooper has a letter dated the 29th of October, 1936 from A. S. Biffi.

THE COMMISSIONER: How do you spell it?

MR. MORGAN: M-i-f-f-i.

THE COMMISSIONER: Have you, Mr.

MR. MORGAN: Montreal, my lord.

THE COMMISSIONER: To Mr. Hooper?

MR. MORGAN: To Mr. Hooper.

THE COMMISSIONER: What is the date of it?

MR. MORGAN: The 4th of March, 1924.

THE COMMISSIONER: Marked.

EXHIBIT NO. 8: Letter dated 4th March 1924 from A.E. Giffin & Company to Mr. Hooper.

MR. MORGAN: It reads as follows:

"Referring to your telephone conversation we are now in receipt of a cable from Italy stating that the selling price for 100 denier acetate yarns is Lire 22 per Kilo, equal to .52-3/4¢ per pound in Canadian currency at the present rate of exchange.

We did not get any price for 75 and 150 den. but they are giving us the price of 100 den. as basis.

We shall always be pleased to be at your service whenever necessity requires it.

P.S. The total amount for cable expenses is $6.75. That is important. Now, Mr. Hooper is made a calculation, the price $2.34 -- how do you get that, Mr. Hooper?

A. $2.842?

Q. Yes.

A. It is given there above.

Isn't it?

Q. It is 52-3/4 above. $2.75 cents is the price

specific duty 28 cents making 80.75 plus excise of 2¼ making the laid down price 83.15 -- A. Not 2¼.

Q. 2.4, leaving the laid down price 83.15 per pound exclusive of transportation charges.

A. Exclusive of transportation charges.

Q. Do you know about what the transportation charges would amount to per pound from Italy approximately? A. About 2½ to 3 cents a pound.

Q. So that it runs in the vicinity of 85 cents a pound laid down here. Now, your next exhibit shows the amounts of Canadian custom's drawbacks paid during the years 1929,30, 31, 32, 33, 34, 35 and 1936 up to what -- the first six months of 1936?

A. That is up to the 30th of September, 1936.

BY THE COMMISSIONER: Q. You mean paid on what?

A. On everything in textiles, my lord.

BY MR. McRUER: Q. All textiles? A. All textiles. There may be some textiles in other items, that is, in automobiles where fabrics are put in the automobiles exported --

Q. Under what conditions are the drawbacks made payable? A. It is divided in two, my lord. There is the export drawback and home consumption drawback shown here.

Q. Take the export drawback? A. The export drawback, the first commodity, bags --

Q. How does it work, a drawback on what, on the duties on the raw material? A. On the duties paid on the raw material, 99% of the duties paid on

equivalent only to weeks ending 27.72 plus weeks of 44 making the last lost price 22.14 -- A. Yes Sir.

Q. Showing the last base price 22.14 per pound exclusive of transportation charges.

A. Exclusive of transportation charges.

Q. Do you know about what the transportation charges would amount to per pound from Italy approximately? A. About 2½ to 3 cents a pound.

Q. So that it runs in the vicinity of 85 cents a pound last year? Yes. [illegible]

the amounts of Canadian customs drawbacks paid during the years 1929,30, 31, 32, 33, 34, 35 and 1936 up to what -- the first six months of 1937?

A. [illegible]

BY THE COMMISSIONER: Q. You mean paid on what?

A. On everything in textiles, my lord.

BY MR. MORUER: Q. All textiles? A. All textiles. There may be some textiles in other items, that is, in automobiles where fabrics are put in the automobile assorted --

Q. Under what conditions are the drawbacks made payable? A. It is divided in two, my lord. There is the export drawback and home consumption drawback shown here.

Q. [illegible] A. [illegible] drawback, the first commodity, begs --

Q. How does it work, a drawback on what, on the duties on the raw material? A. On the duties paid on the raw material, 99% of the duties paid on

the raw material.

Q. Now then, on the home consumption, what is it? A. On the home consumption there is a tariff item shown there and the duties are shown -- the amounts for the drawback are shown under that tariff item.

Q. What is the drawback on, again? Is it on the raw material ? A. On the duty, my lord.

Q. The duties paid on raw material? A. Yes, sir.

Q. In both cases ? A. Yes.

BY MR.McRUER: Q. Give us tariff item 1010 which is the first on which duties are payable -- the drawback is payable for home consumption ? A. "Cloths, of wool, cotton, silk, ramie or unions, fifty inches or over in width and weighing not more than seven ounces per square yard, not rubbered or made waterproof, when used in the manufacture or macintosh clothing, the portion of duty payable as drawback, 50%."

BY THE COMMISSIONER: This is only 50% ?

A. In that case, my lord. Now, 1012 -- "woven fabrics in the web, when used in the manufacture of linings for hats and caps, and in the manufacture of hat shapes and bonnet shapes made from buckram, 99%." 1013, "Fabrics of silk and satin, embroidered or embossed chiffon, casket gimps and fringes when used in the manufacture of burial caskets and burial robes, 65%." Item 1030, "Material when used exclusively in the manufacture of articles enumerated in Tariff Item 236", that is, sanitary napkins and gauzes, the portion of drawback is 50% until the 2nd of May, 1936 when it was divided and it

raw material.

Q. Now then, on the home consumption, what is it?

A. On the home consumption there is a tariff item shown there and the duties are shown -- the amounts for the Dominion are shown that tariff item.

Q. What is the drawback on, again? Is it on the raw material? -- We are away, Mr Lunn.

Q. The duties paid on raw material? A. Yes, sir.

Q. In both cases? A. Yes.

BY MR.MCLEAN: Q. Give us tariff item 1010 which is the first on which duties are payable -- the drawback is payable for home consumption? A. "Clothing, of wool, cotton, silk, ramie or mohair, fifty inches or over in width and weighing not more than seven ounces per square yard, and subject to manufacturers' duty, used in the manufacture or manufacture clothing, the portion of duty payable as drawback, 50%."

Q. In that case, my Lord. Now, 1012 -- "Woven fabrics in the web, when used in the manufacture of linings for hats and caps, and in the manufacture of hat shapes and bonnet shapes made from buckram, 99%." 1013,"Fabrics of silk and satin, interlined or otherwise, without burial caskets and burial robes, 85%." Item 1010,"Matters not enumerated in Tariff Item 1050", that is, sundry manufactures and goods, the portion of drawback is 50% until the end of July, 1924 when it was diminished to 37

provides that (b)"woven fabrics, wholly of cotton, not bleached, mercerized nor coloured, weighing not more than seven and one-half pounds per one hundred square yards when imported under the British Preferential Tariff and used exclusively in the manufacture of articles enumerated in Tariff item 236, 99%." That gives you some idea what those items are.

BY MR. McRUER: Q. Mr. Hooper, take this first item, bags. In 1929, the year 1929-30 the draw back -- a drawback of $909,000 was paid? A. Yes.

Q. And in 1935-36 $256,493; what would be the reason for the decline in the amount paid for drawback? A. There might be two reasons, one, that export shipments have fallen, the other that the Canadian manufacturers are meeting prices at which the Canadian bag manufacturers can export goods.

Q. That is 50% drawback, the first one, wasn't it? A. No, it is 99%.

Q. 99%; what exhibit number is this?

THE COMMISSIONER: 881.

EXHIBIT NO. 881: Statement of amounts of Canadian Customs' Drawbacks paid, 1929 to 1936.

-- The Commission adjourned for a short recess.

-- On resuming.

BY MR. McRUER: Q. Now, what next? A. You asked for importations of socks and stockings.

Q. The next exhibit, my lord, is a statement of importations of socks and stockings wholly or in part of silk.

provides that drawback claims, usually at certain, but
discount, materials for goods, which are not more
than seven and one-half pounds per square foot
yards when imported under the British Preferential
Tariff and used exclusively in the manufacture of
articles enumerated in Tariff item 236, 99%." That
gives you some idea what those items are.

BY MR. MORLEY: Q. Mr. Hooper, take this first
item, page. In 1929, the year 1929-30 the drew back
a drawback of $909,000 was paid? A. Yes.

Q. And in 1955-56 $556,498; what would be the
reason for the decline in the amount paid for drawback?
A. There might be two reasons, one, that export ship-
ments have fallen, the other that the Canadian manu-
facturers are meeting prices at which the Canadian
bag manufacturers can export goods.

Q. That is 50% drawback, the first one, wasn't it?
A. No, it is 99%.

Q. 99%; what exhibit number is this?

THE COMMISSIONER: 881.

EXHIBIT NO. 881: Statement of amounts of Canadian customs' drawbacks paid, 1929 to 1956.

-- The Commission adjourned for a short recess.

-- On resuming.

BY MR. MORLEY: Q. Now, what next? A. You
ahead for importation of goods and stockings.

Q. The next exhibit, my lord, is a statement of
importations of socks and stockings wholly or in part
of silk.

THE COMMISSIONER: It is a statement, you say?

MR. McRUER: Yes, my lord, from the years 1920 to the 30th September, 1936.

THE COMMISSIONER: You say socks and stockings wholly or partly of silk?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: You mean partly of natural silk?

BY MR. McRUER: Q. That is correct, Mr. Hooper; that means real silk, not artificial silk?

A. Real silk.

THE COMMISSIONER: 882.

EXHIBIT NO. 882: Statement of importations of socks and stockings wholly or partly of silk.

MR. McRUER: Now, this shows that in 1920 there were 69,706 dozen pairs imported. In 1936 there were 868 dozen pairs. A. That is for the year ending the 31st of March, 1936.

Q. Yes.

THE COMMISSIONER: What do you say those figures are?

MR. McRUER: In 1920 69,706 dozen pairs and in 1936 868 dozen pairs.

BY THE COMMISSIONER Q. That is up to April 1st? A. Up to April 1st, my lord.

BY MR. McRUER: Q. Isn't that for the year ending -- A. That is for the year ending, that is for the fiscal year 1935-1936.

(page 12005 follows)

THE COMMISSIONER: It is a statement, you say?

MR. MOHUN: Yes, my Lord, from the years 1920 to the 30th September, 1936.

THE COMMISSIONER: You say manufacturing and selling wholly or partly of silk?

MR. MOHUN: Yes, my Lord.

THE COMMISSIONER: You mean partly of natural silk?

MR. MOHUN: Yes. That is correct, Mr. Commissioner;

that means real silk, not artificial silk?

A. Real silk.

THE COMMISSIONER: 882.

EXHIBIT NO. 882: Statement of importations of goods and stockings wholly or partly of silk

MR. MOHUN: Now, this shows that in 1920 there were 49,734 dozen pairs imported. In 1936 there were 600 dozen pairs.

A. That is for the year ending the 31st of March, 1936.

Q. Yes.

THE COMMISSIONER: What do you say those figures are?

MR. MOHUN: In 1920 49,734 dozen pairs and in 1936 600 dozen pairs.

BY THE COMMISSIONER: Q. That is up to April 1st?

A. Up to April 1st, my Lord.

BY MR. MOHUN: Q. Isn't that for the year ending --

A. That is for the year ending, that is for the fiscal year 1935-1936.

(page 12005 follows)

Then you have from April 1 to September 30, 1936. After March 31, 1931, the importations seem to have been negligible. What is the reason for the drop between 1931 and 1932? Was there a change in the tariff item on stockings? A. There was a change in the tariff item in 1931.

Q. That change became effective for part of the fiscal year ending March 31, 1931?
A. Yes.

Q. The importations for 1936 were 70,000 odd. The tariff item changed on September 17, 1930, which would be included in the year 1931 as shown on this statement? A. Yes.

Q. There was a drop from 27,130 for the year ending March 1931, to 3,592 dozen pairs in 1932?
A. Half that 1930 would be in 1931 at the higher rate. It would be in the figure shown here for 1931.

Q. Yes, I follow that. What is next?
A. His Lordship asked for a statement of the exports of wood pulp to Japan.

MR. McRUER: Next is a statement of Canadian exports to Japan of wood pulp during the fiscal years ending March 31st, 1930 to 1936.

THE COMMISSIONER: That will be Exhibit 883.

EXHIBIT 883: Statement of Canadian Exports to Japan of wood pulp during the fiscal years ended March 31st, 1930 to 1936.

THE WITNESS: Wood pulp sulphite bleached appears to be similar to the wood pulp used by Courtaulds.

THE COMMISSIONER: That has reference to a

Then you have from April 1 to September 30, 1936. After March 31, 1931, the importations seem to have been negligible. What is the reason for the drop between 1931 and 1932? Was there a change in the tariff item on stockings? A. There was a change in the tariff item in 1931.

Q. That change became effective for part of the fiscal year ending March 31, 1931?

A. Yes.

Q. The importations for 1936 were 70,000 odd. The tariff item changed on September 17, 1930, which would be included in the year 1931 as shown on additional? A. Yes.

Q. There was a drop from 27,150 for the year ending March 1931, to 8,342 dozen pairs in 1932? A. Well that 1930 would be in 1931 at the higher rate. It would be in the figure shown here for 1931.

Q. Yes, I follow that. What is next?

A. His Lordship asked for a statement of the exports of wood pulp to Japan.

MR. MORGAN: Next is a statement of Canadian exports to Japan of wood pulp during the fiscal years ending March 31st, 1930 to 1936.

THE COMMISSIONER: That will be Exhibit 286.

EXHIBIT 286: Statement of Canadian exports to Japan of wood pulp during the fiscal years ended March 31st, 1930 to 1936.

THE WITNESS: Wood pulp sulphite bleached appears to be similar to the wood pulp used by Courtaulds.

THE COMMISSIONER: That has reference to a

question we discussed earlier?

MR. McRUER: Yes, my lord. Your Lordship asked us to try and procure this statement.

THE COMMISSIONER: Do you remember what the number of the other exhibit was when we were dealing with that matter.

THE WITNESS: It was when we were dealing with rayon fabrics in Montreal in April.

MR. McRUER: We were dealing I think, my lord, with the surtax on Japanese goods and the surtax that had been applied on Canadian goods in Japan, and the question arose what effect it might have had on our exports of pulp.

SECRETARY WHITELEY: It was Exhibit 410.

THE COMMISSIONER: Yes, table of imports of pulp.

BY MR. McRUER: Q. This statement, Exhibit 883, is divided into three parts, wood pulp sulphate, wood pulp sulphite bleached, wood pulp sulphite unbleached. In the column headed "wood pulp sulphite, bleached" you are dealing with wood pulp that would be used for the manufacture of rayon? A. Yes, sir.

Q. That appeared to reach its high point, as covered by this statement, in 1932, when the value was $1,249,087. Then for the year ending March 31, 1936, the value was $331,241. That would be the period that would be affected by the application of the surtax. That is correct, is it? The 31st March 1936 ? Your surtax went on in July 1935 ? A. Yes.

Q. The exports to Japan for that period seemed

question we discussed earlier?

[illegible] Yes, my lord. That [illegible] would be in my account this morning.

THE COMMISSIONER: Do you remember what the number of the other exhibit was when we were dealing with that matter.

THE WITNESS: I was when we were dealing with rayon fabrics in Montreal in April.

MR. MONTGOMERY: We were dealing I think, my lord, with the surtax on Japanese goods and the surtax that had been applied on Canadian goods in Japan, and the question arose what effect it might have had on our exports of pulp.

[illegible]

THE COMMISSIONER: Yes, table of imports of pulp.

[illegible] Q. This statement, exhibit 886, is divided into three parts, wood pulp sulphate, wood pulp sulphite bleached, wood pulp sulphite unbleached. In the column headed "wood pulp sulphite, bleached" you are dealing with wood pulp that would be used for the manufacture of rayon? A. Yes, sir:

Q. That appeared to reach its high point, as covered by this statement, in 1936, when the value was $1,249,027. Then for the year ending March 31, 1936, the value was $[illegible]1,241. That would be the period that would be affected by the application of the surtax. That is correct, is it? The [illegible] March 1936 ? Your surtax went on in July 1935 ? A. Yes.

Q. The exports to Japan for that period became

to be less than half of what they were for the period ending March 31, 1935, when they were $896,695.

MR. BALLANTYNE: My recollection at Montreal is that the surtax did not apply to all articles.

MR. McRUER: It did not apply to newsprint.

MR. BALLANTYNE: I do not remember exactly.

MR. McRUER: We will need to look it up.

THE COMMISSIONER: Which surtax?

MR. BALLANTYNE: The Japanese, my lord.

MR. McRUER: It is proper to raise that point here so that we may verify it.

BY MR. McRUER: Q. Have you worked out, Mr. Hooper, the average price per hundredweight of the wood pulp sulphite exported in the year 1935? A. $26.

BY THE COMMISSIONER: Q. Price per what ? A. Price per hundredweight, and in 1936 it is $22.20.

BY MR. McRUER: Q. Do you recollect what Courtaulds paid for wood pulp in these years? A. $35 a hundredweight.

Q. $35 a hundredweight. We must be dumping it on the Japanese market.

MR. BLAIR GORDON: They have to meet the Brown Corporation of New Hampshire.

THE WITNESS: We have to meet their price in Canada on certain things too.

MR. McRUER: The next, my lord, is a statement showing the imports from Japan of principal items entered for consumption in Canada during the periods from January 1st to September 30th, 1935 and 1936. I think we have this in now, haven't we?

to be less than half of what they were for the period ending March 31, 1955, when they were $596,695.

MR. BALLANTYNE: My recollection at Montreal is that the surtax did not apply to all articles.

MR. McNULTY: It did not apply to newsprint.

MR. BALLANTYNE: I do not remember exactly.

MR. McNULTY: We will need to look it up.

MR. HOSKEN: It is proper to raise that point here so that we may verify it.

Q. Have you worked out, Mr. Hooper, the average price per hundredweight of the wood pulp sulphite exported in the year 1955?

A. $96.

BY THE COMMISSIONER: Q. Price per what?

A. Price per hundredweight, and in 1955 it is $92.00.

QUESTION: Do you remember what Canada paid for wood pulp in these years?

A. $85 a hundredweight. We must be drawing it on the lowest scale.

MR. BLAIR CONDON: They have to meet the grown competition of New Hampshire.

THE WITNESS: We have to meet their price in Canada on Article Three.

THE WITNESS: The next, my lord, is a statement showing the imports from United States treated entered for consumption in Canada during the periods from January 1st to September 30th, 1955 and 1956.

(Mine is more than 1 page, but it was

THE WITNESS: No, because this is the first statement that has been prepared.

MR. McRUER: We put in one in Toronto, a large sheet of imports and exports.

THE COMMISSIONER: This Exhibit will be 884.

EXHIBIT 884: Statement showing the imports from Japan by principal items, entered for consumption in Canada, during the periods from January 1st to September 30th, 1935 and 1936.

BY MR. McRUER: Q. This Exhibit 884 compares the years 1935 and 1936 for the first nine months of the year ? A. Yes.

Q. I see that raw silk is up from 23,000 to 41,000. What are these units -- pounds I suppose ? A. Pounds.

Q. Woven fabrics wholly of silk or partly of silk rose from 102,000 to 114,000. You tell me that the ruling is still in effect in regard to Habutaes, Fugis and those things that are not made in Canada? A. Yes.

Q. And that the reason given for this ruling is that because they are silk -- A. Because they are fabrics.

Q. Because they are silk fabrics, the fact that they are of a type or silk fabric that is not made here is taken into consideration.

THE COMMISSIONER: I did not hear the beginning of that. You are talking of what ?

MR. McRUER: I was talking of the importations of silk fabrics into Canada, and I was asking Mr. Hooper in reference to the ruling that Habutaes and kindred types of silk fabrics that are not of a

THE WITNESS: No, because this is the first statement that has been prepared.

MR. MORDEN: We put in one in Toronto, a large sheet of imports and exports.

THE COMMISSIONER: This exhibit will be 884.

EXHIBIT 884 Statement showing the amount of raw silk entered for consumption in Canada, during the periods from January 1st to September 30th, 1935 and 1936.

BY MR. MORDEN: Q. This Exhibit 884 compares the years 1935 and 1936 for the first nine months of the year? A. Yes.

Q. I see that raw silk is up from 8,000 to 41,000. What are these units -- pounds I suppose? A. Pounds.

Q. Woven fabrics wholly of silk or partly of silk rose from 102,000 to 114,000. You tell me that the ruling is still in effect in regard to labutaes, Tussis and those things that are not made in Canada? A. Yes.

Q. And that the reason given for this ruling is that because they are silk -- A. Because they are fabrics.

Q. Because they are silk fabrics, the fact that they are of a type or silk fabric that is not made here is taken into consideration.

THE COMMISSIONER: I did not hear the beginning of that. You are talking of what?

MR. MORDEN: I was talking of the importations of silk fabrics into Canada, and I was asking Mr. Brydie in reference to the ruling that Bonnaway and similar types of silk fabrics that are not of a

class or kind made in Canada --

BY THE COMMISSIONER: Q. Was the ruling on Habutai that it is of a class or kind made in Canada? A. Yes.

Q. As a result of that correspondence we had the other day? A. No, it was not the result of that. The ruling had been made prior to that, and continued after that correspondence had taken place.

Q. Then why was the correspondence interjected? A. Because the correspondent asked where he could obtain that fabric in Canada.

MR. McRUER: His objective apparently would be to have it imported.

THE WITNESS: If they could not have given a source of supply he might.

BY MR. McRUER: Q. He might have pressed to have it reclassified? A. Yes.

Q. But as I understand it the position that is taken by the department, rightly or wrongly, is because Habutai is silk, then anything silk is of a class or kind made in Canada whether that particular type of silk is made here or not? A. Provided it competes with a similar article.

Q. Competes with a similar article?

BY THE COMMISSIONER: Q. What is the section of the act that covers that? A. Section 6 of the Customs Tariff.

Q. The opening words of the section are, "In the case of articles exported to Canada of a class or kind made or produced in Canada," is that

Appeal by plaintiff in Canada —

BY THE COMMISSIONER: Q. Was the ruling on material that it is of a class or kind made in Canada?

A. Yes.

Q. As a result of that correspondence we had the other day? A. No, it was not the result of that. The ruling had been made prior to that, and continued after that correspondence had taken place.

Q. Then why was the correspondence interjected?

A. Because the correspondent asked where he could obtain that fabric in Canada.

MR. HOOPER: His objective apparently would be to have it imported.

THE COMMISSIONER: If they could not have given a source of supply he might.

BY MR. MORGAN: Q. He might have pressed to have it reclassified? A. Yes.

Q. But as I understand it the position that is taken by the department, plainly or strongly, is because fabric is silk, then anything silk is of a class or kind made in Canada whether that particular type of silk is made here or not? A. Provided it competes with a similar article.

Q. Competes with a similar article?

BY THE COMMISSIONER: Q. What is the section of the act that covers that? A. Section 6 of the Customs Tariff.

Q. The opening words of the section are, "In the case of articles imported to Canada of a class or kind made or produced in Canada," is that

it?

MR. McRUER: That is it, of a class or kind made or produced in Canada, and although Habutai is neither made nor produced in Canada, still because it is silk --

THE WITNESS: And competes with another.

MR. McRUER: And competes with others, momme crepe or something of that sort, this ruling prevails.

BY MR. McRUER: Q. In what way does this ruling apply? They make lingerie out of momme crepe and out of Habutai silk? A. Yes.

Q. They used to make lingerie in a very large way out of Habutai silk before this ruling? A. Yes, and they started to make it out of crepe and some satins.

Q. If the oranges compete with the bananas, then keep out the oranges? A. We had a thought like that one time in the department.

BY THE COMMISSIONER: Q. What is that? A. Mr. Breadner was making a comparison one time and he said all bananas competed with apples, that they were of a class or kind made in Canada. I heard that remark one day.

MR. McRUER: Pineapples might. Now referring to Exhibit 884, Rovings, yarns and warps, artificial silk, seen to be down in importations into Canada and woven fabrics, artificial silk, are up. For the period January 1 to September 30, 1935, the importations from Japan of woven fabrics, artificial silk, rose from 34,472 pounds valued at $37,236 to 250,731 pounds valued at $129,430 for the period January 1 to September 30, 1936.

(4)

A. Yesiuk: That is it, or a class or kind made or produced in Canada, and although imported is not made nor produced in Canada, still because it is silk --

THE WITNESS: And competes with another.

MR. BRYDON: Just keeping this answer, among other of something of that sort, this ruling prevails.

BY MR. BRYDON: Q. In what way does this ruling apply? They make Limerick out of noms stock and out of imported silk? A. Yes.

Q. They need to make Limerick in a very large way out of imported silk before this ruling?

A. Yes, and they started to make it out of cross and some cotton.

Q. If the cross comes with the bananas, then keep out the cross? A. We had a thought like that one time in the department.

BY THE COMMISSIONER: Q. What is that?

A. Mr. Broadfoot was making a comparison one time and he said all bananas compared with apples, that they were of a class or kind made in Canada. I heard that remark one day.

MR. BRYDON: Exhibit 884, Novings, yarns and warps, artificial silk, seem to be down in importations into Canada and woven fabrics, artificial silk, are up. For the period January 1 to September 30, 1925, the importations from Japan of woven fab ics, artificial silk, rose from 24,472 pounds valued at $27,266 to 49,721 pounds valued at $18,[illegible] for the period January 1 to September 30, 1926.

THE WITNESS: You will notice that the value in 1935 was a little over $1 a pound. That would be due to the fixed valuation.

BY MR. McRUER: Q. Oh, I see, the fixed valuation was on, and therefore they are entered in this statement, not at their invoice value, but at the fixed value? A. In that item you have artificial cap linings on which there is a drawback of duty.

Q. Those entitled to the drawback would be shown as importations of artificial silk? A. Yes. Of course those fabrics are not wholly of silk.

Q. What is the next statement, Mr. Hooper? A. Importations from Japan of cotton fabrics.

Q. The next is a statement, my lord, of importations of cotton fabrics from Japan for 1936. This is really supplemental to a former exhibit that we filed.

THE COMMISSIONER: The Exhibit just filed covered all imports from Japan.

MR. McRUER: Yes.

THE COMMISSIONER: And this is cotton fabrics?

MR. McRUER: Yes. From June to September 1936, and the imports are classified as of a class or kind not made in Canada, and of a class or kind made in Canada.

THE COMMISSIONER: What is not made in Canada?

MR. McRUER: There is cotton velveteen.

THE WITNESS: And cotton crepe.

BY THE COMMISSIONER: Q. Does that mean that cotton crepe from Japan does not compete with anything made in Canada?

THE WITNESS: You will notice that the value in 1925 was a little over $1 a pound. That would be due to the fixed value.

BY MR. HOPPER: Q. Or, I see, the fixed valuation was on, and therefore they are entered in this statement, not at their invoice value, but at the fixed value? A. In that item you have artificial cap linings on which there is a treasury duty.

Q. Those entitled to the treasury would be shown as importations of artificial silk? A. Yes. Of course those fabrics are not wholly of silk.

Q. What is the next statement, Mr. Hopper?

A. [illegible] from Japan of cotton fabrics.

Q. The next is a statement, my lord, of importations of cotton fabrics from Japan for 1926. This is really supplemental to a former exhibit that we filed.

THE CHAIRMAN: The exhibit just filed covered all imports from Japan.

MR. HOPPER: Yes.

THE COMMISSIONER: And this is cotton fabrics?

MR. HOPPER: Yes. [illegible] and the imports are classified as of a class or kind not made in Canada, and of a class or kind made in Canada.

THE COMMISSIONER: What is not made in Canada?

MR. HOPPER: There is cotton velvetees.

THE WITNESS: And cotton [illegible].

MR. HOPPER: Q. [illegible] does not compete with anything made in Canada?

A. It must mean that, my lord.

MR. McRUER: They do not seem to be quite so delicate about cotton velveteen and cotton crepe as they are about Habutai?

THE WITNESS: No, they are not so delicate.

THE COMMISSIONER: This will be Exhibit 885.

EXHIBIT 885: Statement of importations from Japan of cotton fabrics, 1936.

MR. McRUER: May we have the exhibit number of the exhibit we filed in June when we were dealing with cotton importations from Japan? This is really supplemental to it.

THE COMMISSIONER: Did Mr. Hooper put it in?

THE WITNESS: Yes, my lord.

THE COMMISSIONER: Exhibit 529 covers importations of Japanese rayon for the first few months of 1935, Exhibit 530 covers importations for April and May, 1935, Exhibit 540 importations of cotton fabrics for the first nine months of 1935, Exhibit 541 is a similar statement from January 1 to May 31, 1936.

MR. McRUER: This Exhibit 885, then, should be a continuation of Exhibit 541, because it brings it down to date.

THE COMMISSIONER: I will put a reference on it to Exhibit 541.

MR. McRUER: Very well, my lord. This Exhibit 885 shows that from June 9 to September 24, 1936, there have been importations of cotton velveteen and cotton crepe from Japan amounting to $4,733.12, of a class or kind not made in Canada, and of a class or kind made in Canada there were importations from May 20 to September 8, 1936 amounting to

A. It must mean that, my Lord.

MR. WOLLAN: They do not seem to be quite so delicate about cotton velveteen and cotton crepe as they are about silk.

THE WITNESS: No, they are not so delicate.

THE COMMISSIONER: This will be exhibit 888.

EXHIBIT 888 Statement of importations from Japan of cotton fabrics, 1936.

MR. WOLLAN: May we have the exhibit number of the exhibit we filed in June when we were dealing with cotton importations from Japan? This is really supplemental to it.

THE COMMISSIONER: Did Mr. Hooper put it in?

THE WITNESS: Yes, my Lord.

MR. WOLLAN: Exhibit 340 covers importations of rayon-tions of Japanese rayon for the first ten months of 1936, exhibit 380 covers importations for April and May, 1936. Exhibit 340 importations of cotton fabrics for the first nine months of 1936.

Exhibit 341 is a similar statement from January 1 to May 31, 1936.

MR. WOLLAN: Exhibit 341, Mr. [illegible] a continuation of Exhibit 341, because it brings it down to date.

THE COMMISSIONER: I will put a reference on it to Exhibit 341.

MR. WOLLAN: Very well, my Lord. This Exhibit 888 shows that from June 9 to September 24, 1936, there were [illegible] importations of cotton velvetens or cotton velvetens of a class or kind not made in Canada, and of a class or kind made in Canada there were importations

$225.02.

The next is a statement of importations of artificial silk fabrics into Canada from Japan; it is additional information for May and June, 1936.

THE COMMISSIONER: This will be Exhibit 886.

EXHIBIT 886: Statement of Importations of Artificial Silk Fabrics into Canada from Japan, May (additional) and June, 1936.

MR. McRUER: Exhibit 886 is in continuation of Exhibit 531. It shows importations of 494,389 yards with a yen value of 81,211. I do not know how much that would be in dollars and cents.

THE WITNESS: Approximately $24,000 at the appreciated invoice value.

MR. McRUER: The next is a statement of importations from Japan of rayon fabrics from June 24 to September 23, 1936, and it is classified according to the different types of fabrics.

THE WITNESS: Yes, as I have done in the other Exhibit.

BY MR. McRUER: Q. As you have done in the earlier Exhibit. What was the number of the earlier Exhibit? A. Exhibit 531.

THE COMMISSIONER: This Exhibit number will be 887.

BY MR. McRUER: Q. You have shown separately on Exhibit 887 importations of plain rayon taffeta and brocaded rayon taffeta, as we had some evidence about whether the brocaded was made in Canada or not. The total value of all these importations in dollars and cents is $42,664.61 at 29.3 cents per yard.

A. Yes.

The next is a statement of importations of artificial silk fabrics into Canada from Japan; it is additional information for May and June, 1936.

THE COMMISSIONER: This will be Exhibit 896.

EXHIBIT 896: Statement of importations of artificial silk fabrics into Canada from Japan, May (additional) and June, 1936.

MR. MARTIN: Exhibit 896 is in continuation of Exhibit 891. It shows importations of 494,[illegible] yards with a total value of $[illegible]. I do not know the duty that would be in dollars and cents.

THE WITNESS: Approximately $44,000 at the appraised invoice value.

MR. MARTIN: The next is a statement of importations from Japan of rayon fabrics from June 24 to September 30, 1936, and it is classified according to the different types of fabrics.

THE WITNESS: Yes, as I have done in the other exhibits.

BY MR. MARTIN: Q. As you have done in the earlier exhibit. What was the number of the earlier exhibit? A. Exhibit 891.

THE COMMISSIONER: This Exhibit number will be 897.

BY MR. MARTIN: Q. You have shown separately on Exhibit 897 importations of plain rayon taffeta and printed rayon taffeta, as we have some evidence [illegible]. The total value of all these importations in dollars and cents is $42,064.61 at 29.3 cents per yard.

A. Yes.

EXHIBIT 887: Statement of Importations from Japan of Rayon Fabrics from June 24 to September 23, 1936.

MR. McRUER: Next is a statement of artificial silk fabrics shipped by Canadian mills in the first six months of each of the years 1934, 1935 and 1936.

THE WITNESS: 1934 and 1935 are full years.

MR. McRUER: The last six months of each of the years 1934 and 1935, and the first six months of the three years.

BY THE COMMISSIONER: Q. It says "shipped" by Canadian mills ? A. Sales, my lord.

BY MR. McRUER: Q. Deliveries or sales? A. Sales.

Q. You say "shipped" by Canadian mills? A. I mean deliveries actually out of the place.

BY THE COMMISSIONER: Q. Wherever they went to? A. In Canada, my lord.

Q. If any of these were exported would it show here too ? A. It would also show there.

BY MR. McRUER: Q. In January, 1934, it amounted to 1,714,173 yards. These figures are all in yards? A. Yes.

Q. In January 1935, 2,646,493; January 1936 2,870,415; February 1934, 1,876,451; 1935 2,346,983; 1936 2,591,131; March 1934, 2,121,732; 1935, 2,820,024; 1936, 2,634,669; April 1934, 2,060,469; 1935, 3,286,141; 1936, 3,123,999; May 1934, 2,480,726; 1935, 2,601,887; 1936, 2,624,784.

THE COMMISSIONER: This will be Exhibit 888.

EXHIBIT 888: Artificial Silk Fabrics, Deliveries by Canadian Mills, 1934, 1935, 1936.

EXHIBIT 107: Statement of Imports from Japan of Rayon fabrics from June 24 to September 25, 1936.

MR. MOLONY: Next is a statement of artificial silk fabrics imported by Canadian mills in the first six months of each of the years 1934, 1935 and 1936.

THE CITYMAN: 1934 and 1935 are full years.

MR. MOLONY: The last six months of each of the years 1934 and 1935, and the first six months of the three years.

BY THE COMMISSIONER: Q. It says "shipped" by Canadian mills? A. Sales, my Lord.

BY MR. MOLONY: Q. Deliveries or sales? A. Sales.

Q. You say "shipped" by Canadian mills? A. I mean deliveries actually out of the place.

[illegible] Q. Shipped out of the country? A. In Canada, my lord.

Q. If any of these were exported would it show here too? A. It would also show there.

BY MR. MOLONY: Q. In January, 1934, it amounted to 1,714,178 yards. These figures are all in yards? A. Yes.

Q. In January 1935, 2,646,422; January 1936 2,970,413; February 1934, 1,876,451; 1935 [illegible] 1936 [illegible] March 1934, [illegible]; 1935, 2,820,024; 1936, 2,654,559; April 1934, [illegible] 1935, [illegible] 1936, [illegible]; May 1934, 2,450,722; 1935, 2,601,887; 1936, 2,614,724.

THE COMMISSIONER: Will we hear more.

EXHIBIT 108: Affidavit of Mr. Hooper. Deliveries by Canadian mills.

BY MR. McRUER: Q. Still continuing with Exhibit 888, the deliveries in June 1934 were 1,699,271; in 1935 1,967,044; 1936, 2,220,598; or a total for six months in 1934 of 11,952,822; 1935, 15,668,572; 1936, 16,065,196. The figures are up in 1936, 400,000 yards over 1935, and about 4,000,000 yards in 1936 over 1934? A. Yes.

Q. Next is a statement of all imports for consumption into the United States of rayon fabrics from Japan for 1936.

THE COMMISSIONER: The whole year?

MR. McRUER: No, for the first seven months of 1936.

THE WITNESS: This is a companion to Exhibit 525.

THE COMMISSIONER: This will be Exhibit 889.

EXHIBIT 889: Statement of Imports for Consumption into United States of America from Japan, January to July inclusive, 1936.

BY MR. McRUER: Q. Earlier in the investigation you gave evidence that there had been a change in June this year of the United States customs duties? A. Yes.

BY THE COMMISSIONER: Q. They were lowered? A. They were lowered.

BY MR. McRUER: Q. And your statement, Exhibit 889, deals with a part of the time at any rate that would be affected by these lower duties? A. Yes, sir.

BY THE COMMISSIONER: Q. Just about one month. I think the lower duties took effect about the 20th June? A. Effective June 15. I have made a notation on the Exhibit to that effect, my lord.

BY MR. MORGAN: Q. Still continuing with Exhibit 888, the deliveries in June 1954 were 1,[illegible],271; in June [illegible] 1,[illegible],[illegible]; or a total for six months in 1954 of 11,932,822; 1955, 15,668,372; 1956, 16,065,136. The figures are for in 1954, [illegible] yards over 1953, and about 4,000,000 yards in 1956 over 1954? A. Yes.

Q. Next is a statement of all imports for consumption into the United States of rayon textiles from Japan for 1956.

THE COMMISSIONER: The whole year?

MR. MORGAN: No, for the first seven months of 1956.

THE WITNESS: This is a comparison to Exhibit 525.

THE COMMISSIONER: This will be Exhibit 889.

EXHIBIT 889: Statement of Imports for Consumption into United States of Rayon Textiles from Japan, January to July inclusive, 1956.

BY MR. MORGAN: Q. Earlier in the investigation you gave evidence that there had been a slump in June this year of the United States customs duties? A. Yes.

BY THE COMMISSIONER: Q. They were lowered? A. They were lowered.

BY MR. MORGAN: Q. And your statement, Exhibit [illegible], shows this a very [illegible] by [illegible] would be affected by these lower duties? A. Yes, sir.

BY THE COMMISSIONER: Q. Just about one month. [illegible] the lower duties [illegible] the [illegible] duty? A. Effective June 15. I have made a notation on the exhibit to that effect, my lord.

BY MR. McRUER: Q. And the rates prevailing in the United States even under the lower duties were still higher than they were in Canada, as I recall it? A. I think that is right.

Q. I have forgotten how much, but it is noted on Exhibit 525. A. Still lower, yes.

Q. They are still higher in Canada than they were in the United States? A. Yes.

MR. KELLOCK: You said the contrary, didn't you?

MR. McRUER: Yes, I was thinking crossways with my tongue.

THE WITNESS: I said yes to both statements.

BY THE COMMISSIONER: Q. Which is it? A. They are lower in the United States than they are in Canada now.

Q. Were they lower in the United States before June 15 than in Canada? A. On some rayon fabrics they were, my lord.

Q. On these rayon fabrics? A. I mean on some rayon fabrics.

MR. McRUER: The duties as we had them worked out were considerably higher than Canada before they were lowered. When they were lowered in the United States they came closer to Canada but still were, I think, about 10 per cent higher.

THE WITNESS: They were pretty close to the line there.

MR. McRUER: The next is a statement of imports for consumption into the United States of silk fabrics from Japan.

BY MR. McNULTY: Q. And the rates/duties in the United States even under the lower duties were still higher than they were in Canada, as I recall it? A. I think that is right.

Q. [illegible] on Exhibit 525. A. Still lower, yes.

Q. They are still higher in Canada than they were in the United States? A. Yes.

MR. ALLDOCK: You said the contrary, didn't you?

MR. McNULTY: Yes, I was thinking crossways with my tongue.

THE WITNESS: I said yes to both statements.

BY THE COMMISSIONER: Q. Which is it?

A. They are lower in the United States than they are in Canada now.

Q. Were they lower in the United States before June 15 than in Canada? A. On some rayon fabrics they were, my lord.

Q. On these rayon fabrics? A. I mean on some rayon fabrics.

MR. McNULTY: The duties as we had them worked out were considerably higher than Canada before they were lowered. When they were lowered in the United States they came closer to Canada but still were, I think, about 10 per cent higher.

MR. [illegible]: They were pretty close to the line there.

MR. McNULTY: The next is a statement of imports for consumption into the United States of silk [illegible] from Japan.

BY THE COMMISSIONER: Q. Silk or artificial silk? A. Silk fabrics.

MR. McRUER: It gives the rates of duty prevailing and the totals are given for 1932, 1933, 1934, 1935 and two months of 1936.

THE COMMISSIONER: That will be Exhibit 890.

EXHIBIT 890: Statement of Imports for consumption into United States of America from Japan of Silk Fabrics.

MR. McRUER: Now, my lord, with reference to the Habutai silk correspondence, the first exhibit was 703, there are here two additional letters, but first, Mr. Hooper, in respect to the importations into the United States, on what basis is the value for duty?

THE WITNESS: On the foreign export selling price to any other countries. For example, if Japan was selling to the United States and they questioned the value for duty, investigation would be made in Japan as to the export selling price to any other foreign country, and if that export selling price was not lower than the selling price to the United States the value would be acceptable for duty purposes.

BY THE COMMISSIONER: Q. Suppose there are different selling prices, half a dozen prices, do you take the lowest? A. Yes, provided the selling price to the United States was not lower than the lowest to any other foreign country.

BY MR. McRUER: Q. They do not take the highest to any foreign country? A. No, as long as they are selling to any other foreign country at the same value that price would be acceptable.

BY THE COMMISSIONER: Q. Silk or artificial silk? A. Silk fabrics.

Mr. MONDER: It gives the rates of duty prevailing and the totals are given for 1922, 1923, 1924, 1925 and two months of 1926.

THE COMMISSIONER: That will be Exhibit 890.

EXHIBIT 890: Statement of Import for consumption into United States of America from Japan of silk fabrics.

Mr. MONDER: Now, my lord, with reference to the Natural Silk Correspondence, the first quotation was 702, there are here two additional letters, but first, Mr. Hooper, in respect to the importations into the United States, on what basis is the value for duty?

THE WITNESS: On the foreign export selling price to any other countries. For example, if Japan was selling to the United States and they questioned the value for duty, investigation would be made in Japan as to the export selling price to any other foreign country, and if that export selling price was not lower than the selling price to the United States the value would be acceptable for duty purposes.

BY THE COMMISSIONER: Q. Suppose there are different selling prices, half a dozen prices, do you take the lowest? A. Yes, provided the selling price to the United States was not lower than the lowest to any other foreign country.

BY Mr. MONDER: Q. They do not take the highest to any foreign country? A. No, as long as they get the selling price to any other foreign country at the same value that price would be acceptable

THE COMMISSIONER: Or less.

MR. McRUER: Now I have just two letters and I think we had better have them attached to previous Exhibits. The first will be attached to Exhibit 798.

THE COMMISSIONER: What is it about?

MR. McRUER: It is a letter from the Commissioner of Customs to A. B. Fisher & Company, dated March 1, 1932, and reads as follows:

"Referring to your letter of the 24th ult., respecting silk fabrics,-

Habutai, wash satin, fuji, pongee and light weight georgette in the gum, which are held by the Department to be of a class produced in Canada are subject to the provisions of Memorandum 461, copy enclosed."

I would like the Memorandum 461 also to be attached to Exhibit 798. This memorandum just points out, Mr. Hooper, that the currency dump is applicable on this.

THE WITNESS: That is right.

MR. McRUER: The next letter is to be added to Exhibit 800. There are two letters, the first is dated March 19, 1932 from Gault Brothers Limited to the Department of National Revenue, reading as follows:

"Re claim that we made recently through our broker, J. K. Alcock, 744 West Hastings St., Vancouver. You also refer to department letter dated at Ottawa March the 9th, 1932, File No.86550.

MR. MORDEN: Now I have just two letters and a table of duty rates which should be previous exhibits. The first will be attached to Exhibit 798.

THE COMMISSIONER: What is it about?

MR. MORDEN: It is a letter from the Commissioner of Customs to A. B. Fisher & Company, dated March 1, 1926, and reads as follows:

"Referring to your letter of the 24th ult., requesting ruling relative to

Imported, wash satin, full, pongee and light weight georgette in the gum, which are held by the Department to be of a class produced in Canada are subject to the provisions of Memorandum 461, copy enclosed."

I would like the Memorandum 461 also to be attached to Exhibit 798. This memorandum just points out, Mr. Hooper, that the currency dump is applicable on this.

THE WITNESS: That is right.

MR. MORDEN: The next letter is to be added to Exhibit 800. There are two letters, the first is dated March 19, 1926 from Scott Bronson & Minnes to the Department of National Revenue, reading as follows:

"We claim that we made recently through our broker, J. H. Ainsle, the Port Mainline, Vancouver. You also refer to department letter dated 27 March 1926 on file, June, file 10.4400.

We note your remarks that this claim can not be entertained as these goods are made in Canada. We would appreciate it very much indeed if you would advise us where these goods are made in Canada as we would much prefer to buy Canadian made goods to Japanese articles."

There was apparently a Departmental Letter of March 9, 1932. The next is a letter from the Commissioner of Customs to Gault Brothers.

THE COMMISSIONER: Is it in answer to the one you have just read?

MR. McRUER: Yes. It will be attached to Exhibit 800. It is dated March 30, 1932, and reads as follows:

"Gentlemen:-

Subject - Cotton Crepe

I am in receipt of your letter of the 19th instant in which you refer to refund claim, Vancouver Port No.12247 covering an importation of Cotton Crepe from Japan and cleared on Entry No.37659. You request to be advised where Cotton Crepe can be purchased in Canada as you would prefer to buy Canadian made goods to Japanese goods.

You are advised that cotton goods are manufactured in Canada by the Dominion Textile Co. Ltd., 710 Victoria Square, Montreal, Que., and others. The Canadian Manufacturers Association could, no doubt, give you further information."

(Page 12025 follows)

not be entertained as these goods are made in Canada. We would appreciate it very much indeed if you would advise us where these goods are made in Canada as we would much prefer to buy Canadian made goods to Japanese articles."

There was apparently a Departmental letter of March 9, 1932. The next is a letter from the Commissioner of Customs to Scott Brothers.

THE COMMISSIONER: Is it in answer to the one you have just read?

MR. MCKAY: Yes. It will be attached to Exhibit 300. It is dated March 30, 1932, and reads as follows:

"Gentlemen:-

I am in receipt of your letter of the 14th instant in which you refer to ruling claim, Vancouver Port No.12247 covering an importation of Cotton Crepe from Japan and cleared on Entry No.27639. You request to be advised where Cotton Crepe can be purchased in Canada as you would prefer to buy Canadian made goods to Japanese goods.

You are advised that cotton goods are manufactured in Canada by the Dominion Textile Co. Ltd., The Montreal Cotton, Montreal, Que., and others. The Canadian Manufacturers Association could, no doubt, give you further information."

(Page 1205 follows)

MR. McRUER: That seems to deal with cotton goods as a whole. Now, these are attached to Exhibit 618.

Is that all, Mr. Hooper? A. Yes, sir.

THE COMMISSIONER: Well now, has anybody any questions to ask of Mr. Hooper at present?

MR. KELLOCK: Yes, my lord.

CROSS-EXAMINATION BY MR. KELLOCK:

Q. You were telling his Lordship in answer to my friend the method in which the value for duty on importations from Japan into the United States, what the method was, and you referred to on any question arising there would be an investigation in Japan as to what the lowest selling price for export to any country other than the United States - you recall that evidence? A. Yes, sir.

Q. What are you basing that evidence on?

A. Ruling made by the Supreme Court of the United States. I have a copy of the decision.

Q. Could you turn that up for me? Was there a judgment in some litigation? A. Yes, sir.

Q. Well, that judgment, of course, in turn would be based on some statutory authority or some ruling - I mean, the Supreme Court has not any authority to fix---

A. The Supreme Court is - whoever hears customs matters there, whichever court hears customs matters in the United States.

THE COMMISSIONER: Since you have a copy of the

Mr. MONTER: That seems to deal with section 9002 as a whole. Now, these are attached to Exhibit 616.

Is that all, Mr. Hooper? A. Yes, sir.

THE COMMISSIONER: Well now, has anybody any questions to ask of Mr. Hooper at present?

Mr. MILLOCK: Yes, my lord.

CROSS-EXAMINATION BY Mr. MILLOCK:

Q. You were telling his Lordship in answer to my friend the method in which the value for duty on importations from Japan into the United States, that the method was, and you referred to on any question arising there would be an investigation in Japan as to what the lowest selling price for export to any country other than the United States - you recall that evidence? A. Yes, sir.

Q. What are you basing that evidence on?

A. [illegible]

Q. Have you [illegible] for [illegible] judgment in some litigation? A. Yes, sir.

Q. Well, that judgment, of course, in turn would be based on some statutory authority or some ruling - I mean, the Supreme Court has not any authority to [illegible]

A. [illegible]

Q. [illegible]

document ---

THE WITNESS: I have not it with me, it is in my room.

Q. You could bring it? A. Yes. It is downstairs.

MR. KELLOCK: Q. I do not expect I will finish with you tonight. Might I see it before I leave tonight? A. Yes.

Q. There is a matter that I wanted to refer to. I may be wrong but I think there is a little misunderstanding perhaps arising from the way the question was put - I want to refer to your evidence at page 11703, lines 11 to 21, and if you will just follow me while I read it.

THE COMMISSIONER: When was that?

MR. KELLOCK: That was just one November 5th, just the other day. The question was:

"Q. Can you tell me, Mr. Hooper...."

And it apparently was with reference to Exhibit 804 which was your summary of tariff rates on cotton yarns beginning in 1907 - you remember that? A. Yes, sir.

Q. The question was: "Q. Can you tell me, Mr. Hooper, from your experience in the Customs Department whether the supply of cotton yarns would tend mostly to come from Great Britain or from the United States?

A. Well, the yarns used in Canada follow more closely those produced in the United States. I mean the specifications are similar, more so than the general

document ---

THE WITNESS: I have not it with me, it is in my room.

Q. You could bring it? A. Yes. It is downstairs.

MR. KELLOCK: Q. I do not expect I will finish with you tonight. Might I see it before I leave tonight?

A. Yes.

Q. There is a matter that I wanted to refer to. I may be wrong but I think there is a little misunderstanding perhaps arising from the way the question was put - I want to refer to your evidence at page 11766, lines 11 to 21, and if you will just follow me while I read it.

THE COMMISSIONER: When was that?

MR. KELLOCK: That was just one hundred and just the other day. The question was:

"Q. Can you tell me, Mr. Hooper....."

And it apparently was with reference to exhibit 804 which was your summary of payments made on cotton yarns beginning in 1927 - you remember that? A. Yes, si

Q. The question was: "Q. Can you tell me, Mr. Hooper from your experience in the Customs Department whether the supply of cotton yarns would tend mostly to come from Great Britain or from the United States?

A. Well, the yarns used in Canada follow more closely those produced in the United States. I mean the

yarns used in Great Britain. For example, the twist is harder.

"Q. Is harder in the Canadian Yarns than in the English? A. Yes."

"Q. And harder in the American yarns than in the English ? A. Yes. "

Now, the question was as to whether the supply of cotton yarns would tend mostly to come from Great Britain or the United States. You did not quite answer that, you got off into --- A. I did not answer the question?

Q. Yes. Could you answer that question for me?

A. At the present time there are very few importations of yarns from the United States, they are very small. At one time the importations were quite large.

Q. Well, I had looked up for me, Mr. Hooper, --

A. And it is true that there are yarns coming in from Great Britain to-day.

Q. I had looked up for me the figures of imports of those yarns from Great Britain taken from Trade of Canada, and would these figures coincide with your recollections: that in 1930 the imports from Great Britain were 35% of yarns brought in. In 1931 they were 37%. In 1932 they were 50%. In 1933, 67%. 1934, 93% and 1935, 92%? A. Yes, that would.

Q. That would accord with your recollection?

A. Yes. At one time the major portion of the importations was from the United States.

yarns used in Great Britain. For example, the twist is harder.

"Q. Is harder in the Canadian Yarns than in the English? A. Yes."

"Q. And harder in the American yarns than in the English? A. Yes. "

Now, the question was as to whether the supply of cotton yarns would tend mostly to come from Great Britain or the United States. You did not quite answer that, you got off into --- A. I did not answer the question?

Q. Yes. Could you answer that question for a

A. At the present time there are very few importations of yarns from the United States, they are very small. At one time the importations were quite large.

Q. Well, I had looked up for me, Mr. Brown, --

A. And it is true that there are yarns coming in from Great Britain to-day.

Q. I had looked up for me the figures of imports of these yarns from Great Britain taken from trade and commerce, and I could these figures relating to my recollection that in 1920 the imports from Great Britain were 20% of yarns brought in. In 1921 they were 47%. In 1922 they were 50%. In 1923, 47%. 1924, 38% and 1925, 44 %? A. Yes, that would

Q. That coincided with your recollection?

A. Yes. At one time the major portion of the imper-

Q. But the competition now comes from Great Britain? A. If there is any at all.

MR. McRUER: Because American yarns are excluded. It has been reversed.

THE WITNESS: No, the total importations are down, are they not?

MR. KELLOCK: Q. I am just saying insofar as there are importations and therefore competition for the Canadian mills, the source of the competition is Great Britain? A. Yes.

THE COMMISSIONER: Q. That has reference to cotton yarns? A. At the present time, my lord, since 1932.

MR. McRUER: There could be no competition from the United States because the tariff is too high.

MR. KELLOCK: That is argument.

MR. McRUER: My question would be where they would come to if no barrier.

MR. KELLOCK: My question is - where they do come from.

Q. Now, I am referring to Exhibit 803, which was a table you prepared of the Customs Duties on a number of cotton articles, yarns and raw cottons, etc. as of the 2nd of May, 1936. You have tables showing the British preferential tariff, intermediate and general tariff? A. Yes.

Q. And you pointed out that there was no excise tax payable on goods of British origin? That is right, is it? A. Yes.

Q. But the competition now comes from Great Britain?

A. If there is any at all.

MR. MONDK: Because American yarns are excluded. It has been reversed.

THE WITNESS: No, the total importations are down, are they not?

MR. KELLOCK: Q. I am just reading insofar as there are importations and therefore competition for the American mills, the source of the competition is Great Britain?

A. Yes.

Q. At the present time, or last, since 1930.

MR. MONDK: There could be no competition from the United States because the tariff is too high.

MR. KELLOCK: That is argument.

MRS. GUNN: My question would be where they would come to if no barrier.

MR. KELLOCK: My question is - where they do come from.

Q. Now, I am referring to Exhibit 308, which was a table you prepared at the request of counsel on a number of cotton articles, yarns and raw cottons, etc., as of the end of May, 1936. You have tables showing the British trade statistics, I presume, in the general heading.

A. Yes.

Q. Are the figures set out there have to be taken

Q. The Canadian Manufacturer, however, does pay 3% excise tax on his raw cotton, is not that so? A. Yes.

Q. So that you have explained the Canadian Manufacturer has an initial handicap in his competition with the British Importer? A. That is right. But to off-set that we might say that the British Exporter has transportation of raw cotton to Great Britain.

Q. And the Canadian manufacturer I suppose has straight charges on his raw cotton as well? A. Yes.

Q. Do you mind which is the greater? A. What was your question again?

Q. Well, you said to off-set that that the British manufacturer had freight charges on his raw cotton and you agreed with me that the Canadian manufacturer also had freight charges on his raw cotton and my question to you was - which was the greater? A. The total of the freight charges, say, to Montreal plus the excise as against freight to Great Britain--

Q. No, whether the freight charges which the British Manufacturer has to pay are greater than the Canadians? A. No, I could not answer that.

MR. McRUER: It would be both ways - to England and back again.

THE WITNESS: No, I cannot say. Ocean freight rates are pretty low.

MR. KELLOCK: Q. And in regard to that same Exhibit where you set out a large number of descriptions

Q. The Canadian manufacturer, however, does pay 3% excise tax on his raw cotton, is not that so?

A. Yes.

Q. So that you have explained the Canadian manufacturer has an initial handicap in his competition with the British Importer? A. That is right.

But to off-set that we might say that the British Exporter has transportation of raw cotton to Great Britain.

Q. And the Canadian manufacturer I suppose has straight charges on his raw cotton as well? A. Yes.

Q. Do you mind which is the greater? A. What was your question again?

Q. Well, you said to off-set that that the British manufacturer had freight charges on his raw cotton and you agreed with me that the Canadian manufacturer also had freight charges on his raw cotton and my question to you was - which was the greater?

A. The total of the freight charges, say, to Montreal plus the excise as against freight to Great Britain--

Q. No, whether the freight charges which the British Manufacturer has to pay are greater than the Canadians? A. No, I could not answer that.

MR. MORGAN: It would be both ways - to England and back again.

[illegible], Ocean freight rates are very low.

of goods under various tariff items, those rates that you set there would be affected by drawbacks on at least some of the items? A. Oh, yes.

Q. Well, I have prepared ---

THE COMMISSIONER: Which Exhibit do you refer to?

MR. KELLOCK: Exhibit 803, my lord.

Q. I had prepared a statement of the drawbacks which apply to all extiles and it has a bearing on other exhibits which you filed as well as this particular one. Would you be good enough to look that over and tell his lordship whether the information there is accurate.

THE COMMISSIONER: Which information do you refer to?

MR. KELLOCK: That is, information on this Exhibit as to the drawbacks which apply.

THE COMMISSIONER: This is a new exhibit?

MR. KELLOCK: Yes, my lord. The only information we have is as to dollars.

EXHIBIT 891: Statement of textiles subject to drawbacks for home consumption.

MR. McRUER: What is the number of the drawback exhibits which we put in which is referable?

MR. KELLOCK: Exhibit 881.

MR. KELLOCK: Q. Is that accurate? A. Well, in addition there is a ---

THE COMMISSIONER: Q. Will you please tell me, first, just what is drawback - when the goods are for home consumption? A. It has the effect of

of goods under various tariff items, those rates that you set there would be affected by drawbacks on at least some of the items. A. Yes, yes.

Q. Well, I have prepared ---

THE COMMISSIONER: Which exhibit do you refer to?

MR. KELLOCK: Exhibit 808, my lord.

Q. I had prepared a statement of the drawbacks which apply to all textiles and it has a bearing on other exhibits which you filed as well as this particular one. Would you be good enough to look that over and tell his lordship whether the information there is accurate.

THE COMMISSIONER: Which information do you refer to?

MR. KELLOCK: That is, information on this exhibit as to the drawbacks which apply.

THE COMMISSIONER: This is a new exhibit?

MR. KELLOCK: Yes, my lord. The only information we have is as to dollars.

COUNSEL: Statement of textiles applying to drawbacks for home consumption.

MR. HOUGH: What is the number of the drawback exhibits which we put in which is referable?

MR. KELLOCK: Exhibit 808.

MR. HOUGH: Q. Is that correct? A. Well, it applies here, I s ---

THE COMMISSIONER: Q. Will you please tell us,

lowering---

Q. No, what does it mean?

MR. KELLOCK: The second column on the Exhibit shows that. It is headed: "When subject to drawback." For instance, the first item under 1010: "When used in the manufacture of macintosh clothing."

THE COMMISSIONER: When it is brought in by Canadian manufacturer for certain purpose then he gets a drawback?

MR. KELLOCK: Yes.

THE COMMISSIONER: Provided his goods are sold for home consumption, is that the idea?

MR. KELLOCK: Yes.

THE WITNESS: If sold for export then he gets a drawback of 99%.

Q. Always 99%? A. Yes, my lord.

MR. KELLOCK: Q. On any material that he pays a duty on when he brings it in, if he exports that material in any other form, if he fabricates to any extent and exports it he gets a drawback of 99% , is that right? A. Yes.

THE COMMISSIONER: Q. If he sells it in Canada he gets a drawback varying from 50 to 99%, according to the article? A. Yes.

MR. KELLOCK: Q. The export drawback applies under any conditions so long as there is an export but the domestic --- A. Provided further fabricated. Are you going to deal with this Exhibit 891?

Investigation---

Q. Or, what does it mean?

MR. ZIMMER: The general scheme in the British Act is that, It is based upon subject to discussion.

For instance, the first item under 1010:

"When used in the manufacture of masculine clothing."

THE COMMISSIONER: When it is brought in by a Canadian manufacturer for certain purpose then he gets a drawback?

MR. MILLOOK: Yes.

THE COMMISSIONER: Provided his goods are sold for home consumption, is that the idea?

MR. MILLOOK: Yes.

THE WITNESS: If sold for export then he gets a drawback of 99%.

Q. Simply 99%? A. The duty level.

MR. MILLOOK: Q. On any material that he pays a duty on when he brings it in, if he exports that material in any other form, if he manufactures it into articles and exports it he gets a drawback of 99% , is that right? A. Yes.

THE COMMISSIONER: Q. If he sells it in Canada he gets a drawback varying from 90 to 99%, according to the article? A. Yes.

MR. FILLOOK: Q. The export drawback applies under any conditions so long as there is an export but the drawback ---- A. Provided further Canadian.

Q. Is there any comment you want to make on it? A. It appears to me where the 99% comes in they are all fabrics of a class or kind not made in Canada.

Q. Are you speaking of the second one? A. Yes, woven fabrics, in the web when used in the manufacture of lining for hats and caps, and in the manufacture of hat shapes and bonnet shapes made from buckram.

Q. What is your comment? A. Woven fabric used in the manufacture of cap linings of a class or kind not made in Canada.

THE COMMISSIONER: Q. What would be the affect on the tariff if not made in Canada? A. That is why they are allowed 99% drawback of the duty shown on the tariff.

MR. KELLOCK: Q. Are you sure of that? I am told that is not correct and that is the reason I asked you? A. Well, I can check that up. That is my understanding. Take it the other way, ~~is~~ if Canadian manufacturer can operate and make linings with no duties, no protection ---

Q. What I am asking you is, that item 1012 woven fabrics in the web. Now, that is the description of the goods. Are those goods made in Canada? A. When used in th manufacture of linings for hats and caps. They have to be hat linings or cap linings, do not they?

Q. Quite, that is when the drawback applies, but you are speaking of class or kind not made in

Q. Is there any comment you want to make on it?

A. It appears to me where the 99% comes in they are all factories of a class or kind not made in Canada.

Q. Are you speaking of the present duty? A. Yes, woven fabrics, in the web when used in the manufacture of linings for hats and caps, and in the manufacture of hat shapes and bonnet shapes made from buckram.

Q. What is your comment? A. Woven fabric used in the manufacture of cap linings of a class or kind not made in Canada.

THE COMMISSIONER: Q. What would be the effect on the tariff if not made in Canada? A. That is why they are allowed 99% drawback of the duty shown on the tariff.

MR. KELLOCK: Q. Are you sure of that? I am told that is not correct and that is the reason I asked you? A. Well, I can check that up. That is my understanding. Have it the other way, he if Canadian manufacturer can operate and make linings with no duties, no protection ---

Q. What I am asking you is, that item 1013 woven fabrics in the web. Now, that is the description of the goods. Are those goods made in Canada?

A. Some used in the manufacture of linings for hats and caps. They have to be Act claims by the Union, by part 1013?

Canada? A. Does Mr. Hallam know cap linings are made in Canada?

Q. No, I am just asking you? A. Those are the fabrics, cap linings.

MR. HALLAM: I think there is a misunderstanding. 1012, general description, "woven fabrics in the web," describes general tariff, whereas particular would be of the class or kind made in Canada and then used in the manufacture of hats and bonnet shapes made from buckram. That part is not made in Canada.

MR. McRUER: The part that is entitled to the drawback is not made in Canada. All woven fabrics come under the tariff item.

MR. KELLOCK: Let us see about that. Do I understand what you say is that woven fabrics in the web used in the manufacture in Canada of linings for hats and caps and in the manufacture of hat shapes and bonnet shapes made from buckram, that that class of goods is not made in Canada? A. That is my understanding, yes.

Q. Is there any ruling to that effect that you know of? A.

MR. McRUER: Could not be ---

THE WITNESS: I think there is a ruling. I think I have seen that ruling. We can check it up.

THE COMMISSIONER: Better make sure of that.

MR. KELLOCK: Q. Well then, can we take it at the moment - are you saying or are you not saying

CANADA? Q. Mr. Sullivan, may you tell us where is Canada?

Q. No, I am just asking you? A. These are the fabrics, cap linings.

MR. MILLER: I think that is misconstruing the 1018, general description, "woven fabrics in the web," textiles made wholly, composed partly or wholly of the class or kind made in Canada and then used in the manufacture of caps and bonnet shapes made from bunting. That part is not made in Canada.

MR. MONDER: The part that is entitled to the drawback is not made in Canada. All woven fabrics come under the tariff item.

MR. MONDER: Let us see about that. Do I understand what you say is that woven fabrics in the web used in the manufacture in Canada of linings for hats and caps and in the manufacture of hat shapes and cones, perhaps made from jute, are not, plus of goods is not made in Canada? A. That is my understanding, yes.

Q. Is there any ruling to that effect that you know of? A.

MR. MONDER: Could not be ---

THE WITNESS: I think there is a ruling. I think I have seen that ruling. We can check it up.

MR. MONDER: Better make sure of that.

MR. CHITLEY: At all times, can we take it at

that that class of material is or is not made in Canada? A. That is what I am saying, so far as I know --- Well, as his lordship has ordered I am to look that up and find out the ruling.

MR. McRUER: Q. Does this apply only to buckram? A. No, cap linings.

Q. Means not kind of cap linings - it is the bonnet linings that are made from Buckram? A. Yes. Buckram I do not believe - we will have to look that up too.

THE COMMISSIONER: Q. Buckram only applies to bonnet shapes? A. Yes, my lord. Wecan go to 1039, cotton velveteens, not of a class or kind made in Canada.

MR. KELLOCK: Q. Well, take the one above that, which is an item as to which 99% drawback applies - That is made in Canada, is not it? A. It is not made in Canada sufficient to supply the demand.

THE COMMISSIONER: Well now, I would like to know this - what is the difference in the rate of duty when articles such as we have here is not made in Canada? A. Well, you get 99% of the duty back.

Q. No, --- A. There is no differenee in the rate. The rate is the same but they are going to give you 99% of the duty back.

Q. The point is this: Is it policy to allow a drawback of 99% because the goods imported served as raw material to a Canadian manufacturer or is it

that that class of material is or is not made in Canada.

A. That is what I am saying, so far as I know ---

Well, as his lordship has ordered I am to look that up and find out the ruling.

MR. MORGAN: Q. Does this apply only to buckram?

A. No, any linings.

Q. Means not kind of any linings - it is the bonnet linings that are made from buckram? A. Yes.

Buckram I do not believe - we will have to look that up too.

THE COMMISSIONER: Q. Buckram only applies to bonnet shapes? A. Yes, my lord. Canan go to look, cotton velveteens, not of a class or kind made in Canada.

MR. KELLOCK: Q. Well, take the one above that, which is an item as to which 99% drawback applies - That is made in Canada, is not it? A. It is not made in Canada sufficiently to supply the demand.

THE COMMISSIONER: All now, I would like to know this - what is the difference in the rate of duty when articles which do not have that is but made in Canada? A. Well, you get 99% of the duty back.

Q. No, --- A. There is no difference in the rate. The rate is the same but they are going to give you 99% of the duty back.

Q. The point is this: Is it policy to allow a manufacturer of 99% materials the same import and entry

because those goods could not have been had in Canada to begin with. Why is that drawback given? A. To help the manufacturer out, to permit him to buy material cheaper.

Q. Outside? A. Yes. It is when we cannot get it in Canada and there is no use in having a high rate of duty, say, the fabric when not made in Canada.

Q. That seems to be pretty clear, that those drawbacks only apply when the manufacturer cannot get the article he needs in Canada.

MR. KELLOCK: Q. Is that what you say? A. In the case of the 99%, my lord. Then in the other cases it is lessening the duty that he would have to pay on his raw material.

Q. Well now, taking the items on this Exhibit where there is a drawback of less than 99%, the fact whether the material is or is not available in Canada has nothing to do with drawbacks? A. No.

Q. Now, you say in the case of the items where there is a 99% drawback that is because the manufacturer who imports cannot get that description of goods in Canada, is that so? A. It would appear that way.

Q. Well, are you arguing or are you basing it on some fact that you know?

THE COMMISSIONER: Must not there be a statutory provision to cover the case?

MR. KELLOCK: Yes, my lord. The first one is item 1012 and then the tariff itself.

because those goods could not have been had in Canada to begin with. Why is that drawback given?

A. To help the manufacturer out, to permit him to buy material cheaper.

Q. Outside? A. Yes. It is when we cannot get it in Canada and there is no use in having a high rate of duty, say, the fabric when not made in Canada.

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MR. MELLOOK: Q. Is that what you say? A. In the case of the 99%, my lord. Then in the other cases it is lessening the duty that he would have to pay on his raw material.

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Q. Well, are you arguing or are you basing it on some fact that you know?

MR. MACLEAN: Must not there be a statutory provision to cover the case?

MR. MELLOOK: Yes, my lord. The first one is

THE COMMISSIONER:
You have taken this out of the tariff.

MR. KELLOCK: Yes, my lord, and then there is the statute.

THE COMMISSIONER: If it is a statute the statute does not say whether the goods are available in Canada; it simply says, - here are the goods and here is your drawback. Mr. Hooper I suppose is talking now of what is the fact. He says it would appear where the drawback is provided to be 99% the goods mentioned in it are not available in Canada -- is that what you say? A. Yes. They must have had that argument to get a 99% drawback, I am quite sure of that.

MR. KELLOCK: What are cap linings made of? A. Artificial silk and cotton.

Q. And is not that material made in Canada domestically? A. Artificial silk and cotton fabrics?

Q. Yes? A. Artificial silk and cotton fabrics are made in Canada, yes.

Q. Suitable for lining caps? A. I could not say whether it would be suitable or not. Cap manufacturers might not regard it as suitable.

Q. Well, how can you say that the reason that Parliament passed this particular statute was because Parliament knew that those materials were not avaialble in Canada - how can you say that? A. Do not you think that is reasonable to say that was the argument put up to the Minister of Finance.

THE COMMISSIONER:

You have taken this out of the tariff.

MR. KELLOCK: Yes, my lord, and then there is the drawback.

THE COMMISSIONER: If it is a statute the statute does not say whether the goods are available in Canada it simply says, - here are the goods and here is your drawback. Mr. Hooper I suppose is talking now of what is the fact. He says it would appear where the drawback is provid d to be 99% the goods mentioned in it are not available in Canada -- is that what you say.

A. Yes. They must have had that argument to get a 99% drawback, I am quite sure of that.

MR. KELLOCK: What are sag lining made of?

A. Artificial silk and cotton.

Q. And is not that material made in Canada

A. Artificial silk and cotton

(Laughter)

Q. Yes? A. Artificial silk and cotton textiles are made in Canada, yes.

Q. Suitable for lining sags? A. I could not say whether it would be suitable or not. Sag manufacturers might not regard it as suitable.

Q. Well, how can you say that the reason that [illegible] - Are you very [illegible]? A. Do not you think that it [illegible] to say that was the argument

Q. I don't know, there might be many reasons.

THE COMMISSIONER: I am afraid we are getting beyond the evidence.

MR. KELLOCK: It is not evidence at all.

THE WITNESS: As a matter of fact, might get the briefs that were prepared at that time asking for it.

Q. If I just refer you to Section 12, sub-section 1, of Tariff Act, it says:

"12. (1) On the materials set forth in Schedule B to this Act, when used for consumption in Canada for the purpose specified in that Schedule, there may be paid, out of the Consolidated Revenue Fund, the several rates of drawback of Customs duties set opposite to each item respectively in that Schedule, under regulations by the Governor in Council."

That is applied and does not matter whether made or not made in Canada so far as ---

THE COMMISSIONER: The Statute does not say. The witness is reasoning as to why drawback is high in some cases, 99%.

Q. Under that item 1012 one of the articles there for which a 99% refund is provided is buckram, bonnet shapes made from buckram. Is buckram available in Canada to make bonnet shapes out of? A. Not to my knowledge. I am checking that ruling up.

Q. It is not a ruling, it is a statute?

A. Yes, but you asked whether of class or kind made

Q. I don't know, there might be many reasons.

THE COMMISSIONER: I am afraid we are getting beyond the evidence.

MR. McLOCK: It is not evidence at all.

THE WITNESS: As a matter of fact, might get the briefs that were prepared at that time asking for it.

Q. If I just refer you to section 12, sub-section of Tariff Act, it says:

"12. (1) On the materials set forth in Schedule B to this Act, when used for consumption in Canada for the purpose specified in that Schedule, there may be paid, out of the Consolidated Revenue Fund, the several rates of drawback of Customs duties set opposite to each item respectively in that Schedule, under regulations by the Governor in Council."

This is dealing and some sort of [illegible] not made in Canada so far as ---

THE COMMISSIONER: The Statute does not say. The witness is reasoning as to why drawback is high in some cases, eh?

Q. Under that item 1012 one of the articles that for which a 99% refund is provided is buckram, bonnet shapes made from buckram. Is buckram available in Canada to make bonnet shapes out of? A. Not to my knowledge. I am assuming that [illegible].

Q. It is not a [illegible] [illegible]

in Canada. My knowledge is that there is a ruling on buckram, that it is not made in Canada. Maybe Mr. Gordon could help us out.

MR. KELLOCK: I do not think it makes any difference. The point is that there are certain duty rates applicable to certain goods but there are drawbacks to certain of those goods. That is the point I am making and your Exhibit did not mention it.

MR. McRUER: We put in the amount.

MR. KELLOCK: You put in the dollar but you did not say to which item it applies.

MR. McRUER: Yes.

THE COMMISSIONER: What is the strength of the term of class or kind made in Canada? Is it mentioned any place else than in Section 43? A. Mentioned in Section 6 of the Customs Tariff, my lord.

Q. Yes,"In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value," then certain things follow. And the same in Section 43, there again the minister made order to provide value for taxation --- A. Sub-section 10 may give you a better description, the new one.

Q. That just says that for the purposes of this Act certain articles shall not be deemed to be of a class or kind. What I say is this that the affect of articles made of certain class or kind not made

in Canada. My knowledge is that there is a ruling on bookram, that it is not made in Canada. Maybe Mr. Gordon could help us out.

MR. KELLOCK: I do not think it makes any differenc The point is that there are certain duty rates applicable to certain goods but there are drawbacks to certain of those goods. That is the point I am making and your Exhibit did not mention it.

MR. MONDER: [illegible]

MR. KELLOCK: You put in the dollar but you did not say to which item it applies.

MR. MONDER: Yes.

THE COMMISSIONER: That is the strength of the ter of class or kind made in Canada? Is it mentioned any place else than in section 45? A. Mentioned in section 6 of the Customs Tariff, my lord.

Q. Yes, "In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value," then certain things follow. And the same in section 45, there again the minister made order to provide value for taxation --- A. Sub-section 10 may give you a better description, the new one.

Q. That just says that for the purposes of this act certain articles shall not be deemed to be of a class or kind. That I say is this that the effect

in Canada only is that in that case the Minister may provide for a certain value for the purposes of duty? A. Yes, under 43.

Q. Well, under 6. Both the same. The rate of duty is not changed in either case? A. No.

Q. It is simply different matter of arriving at proper dutiable value? A. Yes, and whether dumping duty would apply.

Q. If the article is one which is of a class or kind not made in Canada then the invoice price is what is used to assess duty on? A. The invoice price - no, the fair market value is always used - fair market value is always taken as the value for duty regardless ---

Q. Under what section is that? A. Under 35, sub-section 1., (Reads section).

Q. That is to get away from the dumping. Fair market value in the home market. I should not have said invoice price? A. Invoice price generally means selling price to the person in Canada.

Q. If they happen to be of a class or kind made in Canada then artificial value may be put on them under 43 or Section of the other Act? A. Under 43 only. This provides for dumping duty when they are of a class or kind made in Canada.

Q. Well, special duty "there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, a special

or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty thereof," etc. but the point is that the rate of duty is the very same in any case, the rate of duty?

A. Yes, my lord.

Q. MR. KELLOCK: Q. Then, Mr. Hooper, in dealing with Exhibit 881, which is the statement in dollars of the drawback paid in various years, you used the phrase that the drawbacks applied in the case of particular manufacturers' raw material. Now, it may be raw material so far as particular manufacturer---

A. No, not as raw material, as finished article.

Q. So far as any manufacturer applying for a drawback in respect of certain material whichhe has imported, it is not necessarily and absolutely a raw material. It is only the raw material to him butit may be a fabricated material? A. Surely.

Q. And then in connection with this Exhibit, taking the first item which you have on it, which is bags, the drawback might be --- A. Yes, I remember it.

Q. The drawback which would be applied for, might be on any one or more materials which go to make the bag - would that be right? A. Yes.

Q. And in the case of corsets, lower down,it is not necessarily the cotton but it may be the steel that is in them, or anything else? A. Anything

or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty there-
of," why, can you make it the rule of duty in the very same in any case, the rate of duty?

A. Yes, my lord.

Q. Mr. KELLOCK: Q. Then, Mr. Hooper, in dealing with Exhibit 221, which is the statement in dollars of the drawback paid in various years, you used the phrase that the drawbacks applied in the case of particular manufacturers' raw material. Now, it may be raw material so far as particular manufacturer---

A. No, not as raw material, as finished article.

Q. So far as any manufacturer applying for a drawback in respect of certain material which he imported, it is not necessarily and absolutely a raw material. It is only the raw material to him but it may be a fabricated material? A. Surely.

Q. And then in connection with this Exhibit, taking the first item which you have on it, which is bags, the drawback might be --- A. Yes, I remember it.

Q. The drawback which would be applied for, based on any one or more materials which go to make the bag - would that be right? A. Yes.

Q. And in the case of corrects, lower down, it is not necessarily the raw material but it may be the final

at all in the corsets.

Q. And is it a fact that there are a lot of goods into which cotton goes which are not included in your list of drawbacks there? A. There are other goods into which cotton goes not illustrated there. For example, cloth in automobiles.

Q. And manufacturer would be entitled to drawback for that? A. Yes.

Q. That is not in your exhibit? A. No.

Q. So that the Exhibit is really only partial? A. Yes. One may or may not off-set the other.

Q. How do you mean? A. You brought up whether too much had been put in.

Q. Well, we would be doing a lot of guessing? A. We would do some guessing then.

Q. In connection with Exhibit 803 that I was mentioning a minute ago which, as you recall, are the Customs Duties applicable as of the 2nd of May, 1936, to a number ---

THE COMMISSIONER: That is on cotton yarns.

MR. KELLOCK: Also fabrics. It is headed, "Cotton" but it starts off with raw cotton, deals with a great many varieties of yarns and fabrics. There are a good many items of duties relating to other classes of cotton goods which are not on here? A. Yes.

Q. For instance, 520-a, would you look at that? A. Yes.

Q. That is not on it? A. No.

at all in the corsets.

Q. And is it a fact that there are a lot of goods into which cotton goes which are not included in your list of drawbacks there? A. There are other goods into which cotton goes and drawbacks apply. For example, cloth in automobiles.

Q. And manufacturer would be entitled to drawback for that? A. Yes.

Q. That is not in your exhibit? A. No.

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MR. HALLCOCK: Also fabrics. It is headed, "Cotton" but it starts off with raw cotton, deals with a great many varieties of yarns and fabrics. There are a good deal more of duties relating to other manufactures of cotton goods which are not on here? A. Yes.

Q. For instance, 380-a, would you look at that?

A. Yes.

Q. That is not on 1?? A. No.

"520a Waste portions of unused fabrics, or used garments, wholly of cotton, imported by manufacturers to be used exclusively for disintegrating, or for manufacture into wiping rags in their own factories."

Q. That is not on it? A. No, we did not inquire into wiping rags.

Q. What about 520B?

A. "Garnetted material wolly of cotton, obtained by disintegrating yarns or fabrics, prepared for use; cotton wiping rags, and wiping waste; waste portions of unused fabrics, machine cleaned waste, wholly of cotton, n.o.p. not to include remnants nor mill ends."

Q. What about 520c? "Linters of short fibres of cotton, bleached, and cotton pulp, when imported by manufacturers of paper, for use exclusively in their own factories in the manufactures of blotting or other grade of paper."

THE COMMISSIONER: Well, if they are brought in for use by paper manufacturers do you say they come within the Textile Industry?

MR. KELLOCK: Yes, my lord. Certain material used by paper manufacturers are textiles.

THE COMMISSIONER: Of course they are. Do you say they are pertinent to this Inquiry?

MR. KELLOCK: I think so, my lord. There are some of those that are more than a matter of degree.

"5208a waste portions of unused fabrics, or used garments, empty or partly imported by manufacturers to be used exclusively for manufacturing, or for manufacturing into wiping rags in their own factories."

Q. That is not on it? A. No, we did not inquire into wiping rags.

Q. What about 5209?

A. "Garnetted material wholly of cotton, obtained by disintegrating yarns or fabrics, prepared for use; cotton wiping rags, and wiping waste; waste portions of unused fabrics, machine cleaned waste, wholly of cotton, n.o.p. not to include remnants not mill ends."

Q. What about 5209? "Linters of short fibres of cotton, bleached, and cotton pulp, when imported by manufacturers of paper, for use exclusively in their own factories in the manufactures of bottle or other grade of paper."

THE COMMISSIONER: Well, if they are brought in for use by paper manufacturers it's as many very [illegible] in Textile Schedule.

MR. KELLOCK: Yes, my lord. Certain material made by paper manufacturers are textiles.

THE COMMISSIONER: Of course they are.

They are particular by this legislation.

MR. KELLOCK: I think so, my lord. There are

There are a great number of items not included in this list, some of which are important and some are not.

THE COMMISSIONER: Yes, but the ones you just read seem to do with the pulp industry.

MR. KELLOCK: Q. Well, these others for wiping materials of course are not limited to the pulp industry? A. They do not sell very much in second-hand wiping rags, do they? Do Dominion Cottons sell any second-hand wiping rags?

Q. I am notsaying it is important. What about 525? A. "Woven fabric, wholly of cotton, specially treated and glazed, when imported by rubber manufacturers for use, in their own factories, exclusively as a detachable protective covering for uncured rubber sheeting." Was that important?

Q. It is important enough to be in the Statute? A. Well, it was sufficiently less important to have specific duty taken off it.

Q. I am not arguing degree of importance. I am merely pointing out that this exhibit is not exhausted. Would you look at 528? A. "White cotton bobinet, plain, in the web."

Q. Then 531?

THE COMMISSIONER: Q. What does that last one mean? white cotton bobinet? A. White cotton bobinet.

Q. What about it? A. It is free under British preferential, 25% under the intermediate, and 25% under the General.

There are a great number of items not included in this list, [illegible] are not.

THE COMMISSIONER: Yes, but the ones you just read seem to do with the pulp industry.

MR. KNOLLOCK: A. Well, there others for wiping materials of course are not limited to the pulp industry.

Q. They do not sell very much in second-hand wiping rags, do they? Do Dominion Cotton sell any second-hand wiping rags?

A. I am believing it is important. What about 6187? A. "Wash fabric, [illegible] specially treated and glazed, when imported by rubber manufacturers for use, in their own factories, [illegible] for [illegible]."

Q. It is important enough to be in the statute?

A. Well, it was sufficiently less important to have specific duty taken off it.

Q. I am not arguing degree of importance. I am merely pointing out that this exhibit is not exhausted. Would you look at 5287? A. "White cotton bobinet, plain, in the web."

Q. Then 5317?

THE COMMISSIONER: Q. What does that last one mean? [illegible] A. White cotton bobinet.

Q. [illegible] A. It is [illegible] intermediate, and [illegible]

MR. KELLOCK: Certain amount of importance to that item, is not there? Now, 531? A."Knitted fabric wholly of cotton, in the web, imported by manufacturers of rubber boots and shoes for use exclusively in the manufacture of such articles in their own factories."

Q. That is that stocking net you were dealing with a little earlier in answer to my friend, special use of that? A. Yes. Mr. McRuer in suggesting the items to be put on there had in mind to deal to a great extent with the items in which the duty was raised in 1930. So that it was never meant to be ---

Q. Are we only interested in the articles in which the duties are raised in 1930? A. Well, if the protection was the same in 1930 as it was in 1928 the present government knows what was done, I suppose. I do not know what Mr. McRuer's reason for it is.

MR. KELLOCK: I imagine the government knows what was done.

MR. McRUER: I do not pretend to go through the whole of the Customs Tariff and exhaust every item that there was that might directly or indirectly be textile. I have had Mr. Hooper to cover a large range of articles which form more or less the large backbone of the textile trade.

MR. KELLOCK: That is not quite what Mr. Hooper says. I am just pointing out that the Exhibit is put forward as being exhaustive.

MR. KELLOCK: Certain amounts of importance to that industry, is not there? Now, still A. Yes, fabric wholly of cotton, in the web, imported by manufacturers of rubber boots and shoes for use exclusively in the manufacture of such articles in their own factories."

Q. That is that stocking net you were dealing with a little earlier in answer to my friend, special use of -- A. Yes. Mr. Hoover is suggesting he intends to put on there had in mind to deal to a great extent with the items which the duty was raised in 1930. So that it was never meant to be --

Q. Are we only interested in the articles in which the duties are raised in 1930? A. Well, if the protection was the same in 1930 as it was in 1928 the present government knows what was done, I suppose. I do not know what Mr. Hoover's reason for it is.

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MR. KELLOCK: That is not quite what Mr. Hooper said. I am just pointing out that the industry is put forward

MR. McRUER: No, it is not put forward as being exhaustive.

MR. KELLOCK: I am pointing out that it is not true that it is exhaustive.

MR. McRUER: I agree. The tariff schedule itself shows that.

MR. KELLOCK: Q. In connection with this exhibit and some of the later ones, you started with the year 1907, would you be good enough to look at this which goes back a little way further and just tell his lordship if this is correct? A. I can make no comment about this, but I will check it.

Q. If there is anything wrong would you be good enough to let me know?

THE COMMISSIONER: What does it show?

MR. KELLOCK: It shows the history prior to the point where other exhibit starts? The other exhibit starts 1907.

Q. And does not the French Treaty affect the rates in exhibit 804, first? A. I have not got 804.

Q. I will show you a copy.

THE COMMISSIONER: That is history of cotton yarns-what is your question?

MR. KELLOCK: As to whether or not the French Treaty does not at least affect some of the rates given in Exhibit 804.

THE COMMISSIONER: You mean by lowering them?

MR. KELLOCK: Yes, my lord.

Q. MONDEL: No, it is not put forward as being conclusive.

MR. KELLOCK: I am pointing out that it is not true that it is conclusive.

Q. MONDEL: I agree. The other exhibit shows that.

MR. KELLOCK: Q. In connection with this exhibit and some of the letter cases, you started with the year 1907, would you be good enough to look at this which goes back a little way further and just tell his Lordship if this is correct? A. I can make no comment about this, but I will check it.

Q. If there is anything wrong would you be good enough to let me know?

THE COMMISSIONER: What does it show?

MR. KELLOCK: It shows the history prior to the point where other exhibit starts. The other exhibit starts 1907.

Q. And does not the French Treaty affect the rates in Quebec, Canada? A. I give not put.

Q. I will show you a copy.

THE COMMISSIONER: That is history of cotton yarns. What is your question?

MR. KELLOCK: As to whether or not the French Treaty does not in any effect some of the rates given in Canada.

THE COMMISSIONER: Does it increase or decrease?

Q. Is that right? Have you got a copy of how made up? Here is a copy, (hands witness copy).

THE COMMISSIONER: What is this?

MR. KELLOCK: This shows the net French Treaty rate on cotton yarns and fabrics.

THE COMMISSIONER: This is the way the schedule is now after the French Treaty?

MR. KELLOCK: No, at various times. It shows the affect of the treaty.

THE WITNESS: I have shown the deductions. I have shown the net results.

Q. I am not sure you have shown that? A. You mean in 1936?

Q. In dealing with the history you had not shown the effect of French Treaty at all? A. I did not show the affect of French Treaty rate prior to 1936, no.

THE COMMISSIONER: You raised question just now about sitting on Wednesday and Mr. McRuer was not here. I do not think it would be proper in any case to sit Wednesday forenoon but what about Wednesday afternoon? If you gentlemen are willing to sit I am willing to sit too.

MR. McRUER: I am quite willing to go on on Wednesday afternoon.

MR. KELLOCK: If I might put in one document to complete this subject matter, that insofar ---

Q. Is that right? Have you got a copy of the
made up? Here is a copy, (hands witness copy).

THE COMMISSIONER: What is this?

MR. KELLOCK: This shows the net French Treaty
on cotton yarns and fabrics.

THE COMMISSIONER: This is the way the schedule
is now after the French Treaty?

MR. KELLOCK: As amended since. It shows
the effect of the treaty.

THE WITNESS: I have shown the deductions. I have
shown the net results.

Q. I am not sure you have shown that? A. You
mean in 1930?

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the effect of French Treaty at all? A. I did
not show the effect of French Treaty rate prior to
1936, no.

THE COMMISSIONER: You raised question just now
about sitting on Wednesday and Mr. Vanner was not
I do not think it would be proper in any case to sit
Wednesday forenoon but what about Wednesday afternoon
If you gentlemen are willing to sit I am willing to
sit then.

Mr. [illegible]: I am quite willing to do so if
[illegible] convenient.

Mr. [illegible]: If I might put it [illegible] by
[illegible] [illegible], that [illegible]

EXHIBIT 892: History of Canadian Cottons Tariff prior to 1907.

EXHIBIT 893: Net French Treaty rate on Cotton yarns, and fabrics.

THE COMMISSIONER: Are you putting in a new exhibit?

MR. KELLOCK : Yes. It is report of the Tariff Board in reference No. 83, which deals with cotton yarns, cotton fabrics, and artificial silk fabrics, and on pages 23 to 29 there was the complete history from 1907 on of the tariff that relates to yarns and on pages 63 to 67 the same with regard to cloth.

EXHIBIT 894: Report of Tariff Board in Reference No. 83, Cotton yarns, Cotton fabrics and artificial silk fabrics.

MR. McRUER: Before we adjourn I just want to say that I am proposing tomorrow morning to break into what we are doing to proceed with the examination of Mr. Dawson and Mr. Brown, in respect to the affairs of Canadian Cotton that we had discussed with them in Montreal. They are subpoenaed to appear tomorrow morning and if it is not inconvenient I would like to go on with that tomorrow morning.

THE COMMISSIONER: All right.

MR. KELLOCK: The only objection I have to that is I have some clients here for the purpose of instructing me in connection with this cross-examination and it would involve their remaining over, if going to get on with another subject matter. For their convenience I would like to finish.

MR. McRUER: I have witnesses subpoenaed tomorrow

SUBJECT: Survey of Competitive Conditions
Tariff prior to 1907.

EXHIBIT 200: Net French Treaty rate on
Cotton yarns, and fabrics.

THE COMMISSIONER: Are you putting in a new exhibit

MR. KELLOCK : Yes. It is report of the Tariff
Board in reference No. 88, which deals with cotton
yarns, cotton fabrics, and artificial silk fabrics,
and on pages 85 to 89 there was the complete history
from 1907 on of the tariff that relates to yarns and
on pages 65 to 67 the same with regard to cloth.

EXHIBIT 201: Report of Tariff Board in Reference
No. 12, Cotton Yarns, Cotton Fabrics
and artificial silk fabrics.

MR. KELLOCK: I have to apologize I just want to say
that I am proposing tomorrow morning to break into
what we are doing to proceed with the examination of
Mr. Dawson and Mr. Brown, in respect to the affairs
of Canadian Cotton that we had discussed with them
in Montreal. They are supposed to appear tomorrow
morning and if it is not inconvenient I would like
to go on with that examination.

THE COMMISSIONER: All right.

MR. KELLOCK: The only objection I have to that
is I have some clients here for the purpose of
instructing me in connection with this cross-examin-
ation and it would involve their remaining over,
it seems to get on with another subject matter. For
that reason I would like to finish.

morning and it is a question of considering their coming here with their counsels from Montreal.

MR. KELLOCK: We can easily tell them what the thing looks like. I am going to be quite awile.

MR. McRUER: I don't know when we are considering the convenience why we should not consider the convenience of the people before the investigation rather than ---

MR. KELLOCK: All these people are before the Court.

THE COMMISSIONER: How long do you intend to take with Mr. Hooper?

MR. KELLOCK: I imagine about two and a half to three hours.

THE COMMISSIONER: That means a day and a half usually.

MR. KELLOCK: I may be shorter than that.

THE COMMISSIONER: I do not want to hurry you.

MR. McRUER: The difficulty too is I have a matter - it is really important and it requires following up and I have to examine witnesses tomorrow and possibly follow it from there.

THE COMMISSIONER: Yes, it was myself that broke into this matter that you began in Montreal in ordering the evidence sent on to the Income Tax Department. And I think, did I not say ---

MR. McRUER: Yes, instructed that we deduce further evidence here.

THE COMMISSIONER: Well, can I ask you how long you

[illegible] was it is a question of analyzing that [illegible] here with their accounts from [illegible].

MR. KELLOCK: We can easily tell them what the thing looks like. I am going to be quite awkwa.

MR. MORDEN: I don't know when we are considering the convenience why we should not consider the convenience of the people before the investigation rather than ---

MR. KELLOCK: All these people are before the Com

THE COMMISSIONER: How long do you intend to take with Mr. Tomlett

MR. KELLOCK: I imagine about two and a half to three hours.

THE COMMISSIONER: That means a day and a half usually.

MR. KELLOCK: I may be another than that.

THE COMMISSIONER: I do not want to hurry you.

MR. MORDEN: The difficulty too is I have a matter it is really important and it requires following up and I have to examine witnesses tomorrow and possibly follow it from there.

THE COMMISSIONER: Yes, it was myself that broke into this matter that you began in Montreal in ordering the evidence sent on to the Income Tax Department And I think, did I not say ---

MR. MORDEN: Yes, instructed that we dispose furt evidence here.

THE COMMISSIONER: Well, can I ask you how long you

will take?

MR. McRUER: I will take all forenoon.

THE COMMISSIONER: Well, I think the best thing I will do, I will give Mr. McRuer the forenoon but only the forenoon and you the afternoon.

--

-- The Commission adjourned at 5.10 P.M. to resume at 10.30 tomorrow morning.

ROBT. BRYDIE
CHARTERED STENOGRAPHIC
REPORTER

will have?

MR. MACKEEN: I will take all forenoon.

THE COMMISSIONER: Well, I think the best thing I will do, I will give Mr. Morner the forenoon but only the interview and for the afternoon.

--

-- The Commission adjourned at 5.10 P.M. to resume at 10.30 tomorrow morning.

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary.

EIGHTY-SEVENTH DAY

(November 10th, 1936)

Robert Brydie,
Official Reporter

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

A P P E A R A N C E S:

J.C. McRuer, K.C. and E. Beauregard, K.C.	Commission Counsel
J.P. Lanctot, K.C. and R.L. Kellock, K.C.	For Special Committee on Primary Textile Industries.
C.G. Heward, K.C. Aime Geoffrion, K.C. and C.T. Ballantyne,	For Dominion Textile Company.
S.G. Dixon, K.C.	For Courtaulds, Limited.
L.A. Forsyth, K.C.	For Canadian Celanese Limited, and Canadian Silk Products Limited.
A.S. Bruneau, K.C.	Canadian Cottons Limited.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner.

A.S. Whitely, Secretary.

A P P E A R A N C E S

J.C. [illegible], K.C. and J. Beauregard, K.C.	Commission Counsel
J.F. Lemoto, K.C. and R.L. Kellock, K.C.	For Special Committee on Primary Textile Industries.
C.G. Howard, K.C. [illegible], K.C. and [illegible]	For Dominion Textile Company.
[illegible] Hayes, K.C.	For Courtaulds, Limited.
L.A. Varey, K.C.	For Canadian Celanese Limited, and Canadian Silk Products Limited.
[illegible], K.C.	Canadian Cellulose Limited.

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Ottawa, Ontario,
November 10, 1936.

-- The Commission resumed at 10:30 A.M.

DR. A. O. DAWSON, recalled,

EXAMINED BY MR. McRUER:

Q. Now, Mr Dawson, you were asked to bring with you all your correspondence and records in reference to the inventory reserve and the returns to the government in respect tothe profits made by the Canadian Cottons from 1916 to 1935; are those here , A. Mr. Brown -- I handed all those records to the auditor and I believe he has them with him.

Q. Let me see the returns, Mr. Brown, together with any correspondence with the government.

MR. BRUNEAU: My lord, I would like to make a formal objection to the production of any income tax returns in view of sections 68 and 81 of the Income Tax Act as well as other sections. The whole theory of the Income Tax Act is that the returns are confidential between the department and the taxpayer, and I see nothing in the Order in Council appointing the Commission to justify the violation of that rule. The facts have been submitted to the Commission and the returns I don't think are requested. It is entirely a matter between the department and the company.

THE COMMISSIONER: What is the section in the Act in question ,

MR. BRUNEAU: Section 81 -- section 68 -- section 81 says -- section 81 is the section which provides for

Q. Now, Mr. Dawson, you were asked to bring with you all your correspondence and records in reference to the late tory reserve and the returns to the government in respect thereof. Have you made so far as Mr. Brown -- I handed all those records to the auditor and I believe he has them with him.

Q. Let me see the returns, Mr. Brown, together with any correspondence with the Government.

MR. BROWN: My Lord, I would like to make a formal application to the Commissioner that the returns in view of evasions be one of the issues Tax Act as well as other sections. The whole theory of the Income Tax Act is that the returns are confidential between the department and the taxpayer, and I see nothing in the order in Council appointing the Commission to justify the violation of that rule. The facts have been submitted to the Commission and the Commissioner, I know, think are relevant. It is entirely a matter between the department and the company.

THE COMMISSIONER: What is the section in the Act to convince?

MR. BROWN: Section 81 -- section 83 -- section

secrecy.

THE COMMISSIONER: What does it say?

MR. BRUNEAU: "No person employed in the service of His Majesty shall communicate or allow to be communicated to any person not legally entitled thereto, any information obtained under the provisions of this Act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this Act." That is the taxpayer's guarantee that his return shall be confidential.

THE COMMISSIONER: How does that apply here? It refers in the first place to employees of the department, and it refers to them only when they communicate matters they have before them to persons not entitled to see them.

MR. BRUNEAU: Again, my lord, under section 68 -- "Proceedings before the Exchequer Court hereunder shall be held in camera upon request made to the Court by any party to the proceedings". That is the same principle applied.

THE COMMISSIONER: Do you request that these proceedings be held in camera?

MR. BRUNEAU: My lord, I think we are entitled to that if income tax returns are to be discussed. I think that the same principle of justice which has been enshrined in the Income Tax Act should be applied if they are to be discussed at all. I strongly doubt their relevance.

THE COMMISSIONER: The allegation here, and so far

Reporter.

THE COMMISSIONER: What does it say?

MR. BRUNEAU: "No person employed in the service of His Majesty shall communicate or allow to be communicated to any person not legally entitled thereto, any information obtained under the provisions of this Act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this Act."

That is the taxpayer's guarantee that his return shall be confidential.

THE COMMISSIONER: How does that apply here? It refers in the first place to employees of the department, and it refers to them only when they communicate matters they have taken oath to preserve and withhold to see them.

MR. BRUNEAU: Again, my Lord, under section 36 "Proceedings before the Exchequer Court hereunder shall be held in camera upon request made to the Court by any party to the proceedings". That is the same principle applied.

THE COMMISSIONER: Do you request that these proceedings be held in camera?

MR. BRUNEAU: My Lord, I think we are entitled to that if Mr. Lamont has certainly made it an issue. I think that same principle of justice which has been vindicated in the Income Tax Act should be applied if they are to be discussed at all. I strongly submit that.

there has been some evidence to support it, in fact, the allegation arises out of evidence, out of your own evidence, and is that fair and proper reports were not made of the profits of this company.

MR. BRUNEAU: Then, my lord, is there not a proper forum for the decision of that? Are we to try here questions of whether or not proper income tax has been paid, which are difficult, very difficult questions, and if we go over all the income tax returns of each of these companies we must have a very long and very inconclusive session.

THE COMMISSIONER: Suppose we do; the question is not one as to the length, but it is one as to the relevancy of the inquiry to the subject matter of these returns.

MR. BRUNEAU: The Income Tax Act provides a proper forum. It provides that the Minister in the first place makes the decision, and it provides --

THE COMMISSIONER: Of course, I have no intention of deciding because I would not have the power to decide effectively that this company, or any other company, must pay so much money to the income tax officials or anybody else. I am not being asked to make any such finding. That is not what you are asking me to do, Mr. McRuer?

MR. McRUER: No.

MR. BRUNEAU: My suggestion is in that case it is not fair to the taxpayer.

THE COMMISSIONER: I am not giving judgment against you and saying you must pay so much money. Th

there has been some evidence to support it, in fact, from [illegible] evidence, and of your own evidence, and is that fair and proper reports were not made of the profits of this company.

MR. BRUNNEAU: Then, my lord, is there not a proper forum for the decision of that? Are we to try here questions of whether or not proper income tax has been paid, which are difficult, very difficult questions, and if we go over all the income tax returns of each of these companies we must have a very long and very inconclusive session.

THE COMMISSIONER: Suppose we do; the question is not one as to the length, but it is one as to the relevancy of the inquiry to the subject matter of these returns.

MR. BRUNNEAU: The Income Tax Act provides a proper forum. [illegible] in the first place makes the decision, and it provides --

THE COMMISSIONER: Of course, I have no intention of deciding because I would not have the power to decide effectively that this company, or any other company, must pay so much money to the income tax [illegible]. [illegible] me to do, Mr. Morgan?

MR. MORGAN: No.

MR. BRUNNEAU: My suggestion is in that case it is [illegible] the taxpayer.

THE COMMISSIONER: I am not giving judgment [illegible]

That has to come through the proper tribunal.

MR. BRUNEAU: If there are any issues to be tried should they not be tried before the proper tribunal, the proper forum,

THE COMMISSIONER: You say any issues to be tried.

MR. BRUNEAU: Any issues relating to whether or not the income tax assessment should be revised. The parties will then have the protection of section 68 of the Act, and they will also --

THE COMMISSIONER: I am not saying whether or not anything should be revised. I want to know what has been going on, what the present position is, whether it is the same as it was last week when the question was first raised.

MR. BRUNEAU: That has been fully disclosed in the evidence. We are now asked to produce the returns.

THE COMMISSIONER: It is the one way I have of arriving at the truth. I am entitled to know all the facts concerning this company for the purpose of my own Commission. I find out in Montreal I have not been told the truth, that the information sent in here does not disclose properly what ought to be disclosed. Then, I said "well, that may have affected the income tax", and I ordered the whole thing to be sent here. Then, I said that to-day I would like to find out from the company, or in the case of their failing to come forward, from the income tax authorities what the true situation is for my own information.

MR. BRUNEAU: The matter is now sub judice; it is

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before the Commissioner of Income Tax.

THE COMMISSIONER: It is sub what?

MR. BRUNEAU: It is now before the proper forum; the Commissioner of Income Tax has sent us a statement and we are discussing it.

THE COMMISSIONER: I want to know what stage it is at there.

MR. BRUNEAU: It seems to me,with a discussion going on with the proper authorities, that the hearing of these issues in public before another court is not in accordance with the Income Tax Act.

THE COMMISSIONER: Show me something in the Act that you found that on. You read section 81 to me which apparently is a proper restraint on officials of the department revealing reports made to them to persons who are not entitled to know anything about them. What does section 68 say?

MR. BRUNEAU:"Proceedings before the Exchequer Court hereunder shall be held in camera"--

THE COMMISSIONER: Of course, this is not the Exchequer Court. This inquiry, if it goes on at all, must be a public one, because it is under the Public Inquiries Act.

MR. BRUNEAU: Then, we haven't the safeguard.

THE COMMISSIONER: The whole thing is, is the matter pertinent to this inquiry?

MR. BRUNEAU: I have not been able to find anything in the Order in Council which would justify calling upon any taxpayer for his confidential income tax returns.

the Commissioner of Income Tax.

THE COMMISSIONER: It is sub what?

MR. BRUNNEAU: It is now before the proper form the Commissioner of Income Tax has sent us a statement and we are discussing it.

THE COMMISSIONER: I want to know what stage it is at there.

MR. BRUNNEAU: It seems to me, with a discussion going on with the proper authorities, that the hearing of these issues in public before another court is not in accordance with the Income Tax Act.

THE COMMISSIONER: Show me something in the Act that you found that on. You read section 21 to me which apparently is a proper restraint on officials of the department revealing reports made to them to persons who are not entitled to know anything about them. What does section 16 say?

MR. BRUNNEAU: "Proceedings before the Exchequer Court hereunder shall be held in camera"—

THE COMMISSIONER: Of course, this is not the Exchequer Court. This inquiry, if it goes on at all, must be a public one. Because it is under the Public Inquiries Act.

MR. BRUNNEAU: Then, we haven't the safeguard.

THE COMMISSIONER: The whole thing is, is the matter pertinent to this inquiry?

MR. BRUNNEAU: I have not been able to find anything in the Inter in General Rule Social Insurance Tribunal Act, any language for the modification of the rules.

THE COMMISSIONER: Well yes, any taxpayer; we are dealing here with corporations, you might say public corporations who receive from the government, and consequently from the consumers of Canada, such things as tariff protection. We want to know what they are doing about it, what the situation is.

MR. BRUNEAU: Our books are open.

THE COMMISSIONER: How, in return, they are treating the government and the taxpayers of Canada.

MR. BRUNEAU: Our books are open and have been produced.

THE COMMISSIONER: If they are open they must be open here in public.

MR. BRUNEAU: But income tax returns is a matter which, by the Act itself, is confidential and I submit, therefore, that my objection must prevail.

THE COMMISSIONER: Insofar as you have read to me I repeat what it talks about is officials revealing things to persons who are not entitled to know them.

MR. BRUNEAU: It is the main principle of the Act.

THE COMMISSIONER: Do you mean to say this Commission is not entitled to know things?

MR. BRUNEAU: It is entitled to have access to all books of the company but income tax return is on a different basis.

THE COMMISSIONER: I am talking of the income tax. Read section 81 again.

MR. BRUNEAU: Section 81 says:

THE COMMISSIONER: Well you, any taxpayer; we m
dealing here with corporations, you might say public
corporations who receive from the government, and
consequently from the economics of Canada, much value
as tariff protection. We want to know what they are
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strictly, that by statutes must prevail.

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Commission is not entitled to know things?

MR. BRUNEAU: It is entitled to have access to
all books of the company but income tax return is on
a different basis.

THE COMMISSIONER: I am talking of the income
tax. Read sections 81 again.

MR. BRUNEAU: Nothing in mind.

"No person employed in the service of His Majesty"-- that is merely illustrative of the principle.

THE COMMISSIONER: If it was not there at all you would not have any principle. What is the principle? Read it.

MR. BRUNEAU: "No person employed in the service of His Majesty shall communicate or allow to be communicated to any person not legally entitled thereto" -- that is, the person legally entitled thereto is the taxpayer himself or his heirs, that is the only person.

THE COMMISSIONER: Oh no.

MR. BRUNEAU:"-- any information obtained under the provisions"--

THE COMMISSIONER: No. For instance, a court of justice would be legally entitled thereto. The employee's superiors in the service are entitled thereto.

MR. BRUNEAU: Under the provisions of the Act, if the matter was before the Exchequer Court the Exchequer Court would inquire into it.

THE COMMISSIONER: If you can show me a provision saying that a Royal Commission appointed under the Public Inquiries Act must hold sittings in camera to suit the convenience of these corporations, alright.

MR. BRUNEAU: It is not a matter of convenience. It is a matter of a principle that has been consecrated by a statute, that is, the confidential nature of returns made to the government. I don't think there is anything in the inquiry which justifies departing from that

"No person employed in the service of His Majesty" -- that is merely illustrative of the principle.

THE COMMISSIONER: If it was not there at all you would not have any principle. That is the principle? Read it.

MR. BRUNEAU: "No person employed in the service of His Majesty shall communicate or allow to be communicated to any person not legally entitled thereto" -- that is, the person legally entitled thereto is the Lieutenant Governor, that is the only person.

THE COMMISSIONER: Oh no.

MR. BRUNEAU: "-- any information obtained under the provisions" --

THE COMMISSIONER: No. Not Lieutenant, a court of justice would be legally entitled thereto. The employee's superiors in the service are entitled thereto.

MR. BRUNEAU: Under the provisions of the Act, if the matter was before the Lieutenant Governor the Court would be entitled to say that it.

THE COMMISSIONER: If you were sued on a principle saying that a legal consideration appointed under the Public Inquiries Act must hold attitude in answers by and by, convenience of these corporations, alright.

MR. BRUNEAU: It is not a matter of convenience, it is a matter of a principle that has been enunciated by a statute, that is, the confidential nature of reports made to the Government. I don't think there is anything

principle.

THE COMMISSIONER: Have you anything to say, Mr. McRuer?

MR. McRUER: Yes, my lord. We are directed under the Commission to inquire into the subject of profits the companies have made over a period of years, the costs of production, labour conditions, wages paid and all those matters. We are required to inquire into the question of tariff protection that has been afforded these companies. All that must include what the companies have done with the profits they have made, and one of the first things, I should think, that would come to the attention of the Commission is what profits the companies have made, if they have been honestly disclosed to the public, if they have been honestly disclosed to the government and the taxing authorities, and have they paid the taxes that are honestly due the Government.

Now, to make it abundantly clear one only needs to go to the annual statement of this company to its shareholders of the year 1935, and over the signature of the present witness the statement is made:

"As forecast at the Annual Meeting held in May, 1934, the year now under review opened up with considerable promise. The expectations of your Directors were realized during the first six months, but the second half of the year proved a distinct disappointment. During that period sales fell off very materially, necessitating Mill curtailment with resultant higher manufacturing costs.

MR. McHUGH: Yes, my lord. We are directed under the Commission to inquire into the subject of profits the companies have made over a period of years, the basis of production, labour conditions, wages and all those matters. We are required to inquire into the question of tariff protection that has been afforded these companies. All that must include what the companies have done with the profits they have made, and one of the first things, I should think, that would come to the attention of the Commission is what profits the companies have made, if they have been honestly disclosed to the public, if they have been honestly disclosed to the government and the taxing authorities, and have they paid the taxes that are honestly due the Government.

Now, to make it abundantly clear one only needs to go to the annual statement of this company to its shareholders of the year 1936, and over the signature of the president wherein the statement is made:

"As foreseen at the annual meeting held in May 1934, the year now under review opened up with considerable promise. The expectations of your directors were realized during the first six months, but the second half of the year proved disappointing. [illegible] fully not very satisfactory, necessitating [illegible] resultant higher manufacturing costs.

"The situation was further aggravated by the fact that British competition compelled your Company to sell many lines of goods at, or below, the cost of production." Now, he goes on again to say: "Then, too, the Cotton industry, like all other industries, is feeling greatly the burden of increased taxation, which, if continued, will undoubtedly end in disaster, not only to the Enterprises of the Country but also to the very Men and Governments responsible for the unfortunate position in which we find ourselves."

Now, we want to find out what the taxes are that this company complained about to the public. We want to find out whether they have paid all the taxes that are honestly due to the government of Canada that gives them the protection that they are complaining is not high enough. Now, if there is any case, my lord, that was amply made out it is this case, and not only that, but the statement was made in Montreal publicly and broadcase over the country that in setting up this reserve they had no desire whatever to defraud the Government of a cent that was due tothem, and the impression was left with us, I think, at that time that the Government had been honestly paid all the taxes that were due. Now, if that is not true then the public who pay the penalty of protection in this country have a right to know whether it is true or is not true, and that is all I intend to put before the Commission at this stage.

THE COMMISSIONER: Well now, what was the question you were putting to the witness ,

THE WITNESS: My lord, might I be allowed to say --

THE COMMISSIONER: Just before that; Mr.Bruneau, I don't know whether you were present last week when

"The situation was further aggravated by the fact
[illegible]
[illegible] or [illegible], the [illegible]
[illegible]tion." Now, he goes on again to say:
"Now, too, the Cotton industry, like all other in-
[illegible] in [illegible] [illegible] of [illegible]
[illegible], [illegible], will [illegible]
in disaster, not only to the enterprises of the
Country but also to the very Men and Governments
[illegible] for the [illegible] [illegible] in [illegible]
[illegible] themselves."

[illegible], we want to find out what the taxes are that this company complained about to the public. We want to find out whether they have paid all the taxes that are honestly due to the Government of Canada that gives them the protection that they are complaining is not high enough. Now, if there is any case, my Lord, that has amply made out it is this case, and not only that, but the statement was made in Montreal publicly and [illegible] over the country that in setting up this reserve they had no desire whatever to defraud the [illegible] [illegible] [illegible], and the impression was left with us, I think, at that time that the Government had been honestly paid all the taxes that were due. Now, if that is not true then the public who pay the penalty of protection in this country have a right to know whether it is true or is not true, and that is all I intend to put before the Commission at this stage.

THE COMMISSIONER: Well now, what was the question you were putting to the witness.

THE WITNESS: My Lord, might I be allowed to say --

THE COMMISSIONER: Just hold on that; Mr. Strachan, I don't know whether you were present last week when

this question first arose.

MR. BRUNEAU: I read the evidence, my lord.

THE COMMISSIONER: You were not present in court ,

MR. BRUNEAU: No.

THE COMMISSIONER: Well, certain evidence was given, you see, without objection, was asked and was given.

MR. BRUNEAU: I have no objection to that, my lord. It is the production of returns which the government itself has dealt with as confidential. I feel the public is entitled to that protection.

THE COMMISSIONER: The public ,

MR. BRUNEAU: Yes.

THE COMMISSIONER: It is not the public's protection. It is protection of the taxpayer.

MR. BRUNEAU: Our people are appearing here was part of the public.

THE COMMISSIONER: You must speak of the individual who claims the protection.

MR. BRUNEAU: The individual claims it as one of the public entitled to that protection.

THE COMMISSIONER: It is the taxpayer who is entitled towhatever protection the Act gives him, that is all. It is the taxpayer, not the public.

MR. BRUNEAU: It is as a taxpayer I make that objection on behalf of my client.

THE COMMISSIONER: As a taxpayer he objects to these things being made public.

MR. BRUNEAU: He objects to their being tried to any extent, and it amounts to a trial if the rights

this question first arose.

MR. BRUNEAU: I read the evidence, my lord.

THE COMMISSIONER: You were not present in court,

MR. BRUNEAU: No.

THE COMMISSIONER: Well, certain evidence was given, you see, without objection, was asked and was given.

MR. BRUNEAU: I have no objection to that, my lord. It is the production of returns which the government itself has dealt with as confidential. I feel the public is entitled to that protection.

THE COMMISSIONER: The public ,

MR. BRUNEAU: Yes.

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THE COMMISSIONER: You must speak of the individual who claims the protection.

MR. BRUNEAU: The individual claims it as one of the public entitled to that protection.

THE COMMISSIONER: It is the taxpayer who is entitled towhatever protection the act gives him, that is all. It is the taxpayer, not the public.

MR. BRUNEAU: It is as a taxpayer I make that objection on behalf of my client.

THE COMMISSIONER: As a taxpayer he objects to these things being made public.

MR. BRUNEAU: Mr. Davis is right being heard by his lordship, and is represented as a legal taxpayer

and wrongs of the matter are discussed here when there is a proper forum where they will be discussed in due course.

THE COMMISSIONER: Did you say you wished to say something, Mr. Dawson?

THE WITNESS: I just want to say, my lord --

THE COMMISSIONER: All you can do is give evidence.

THE WITNESS: As far as I am personally concerned I have no objection whatever to having everything in connection with the company published and presented to the world, as far as that is concerned. I have nothing to withhold personally whatever, and while I think Mr. Bruneau is probably right in saying there are certain things that ought to be discussed in the proper place and at the proper time, if you, sir --

BY THE COMMISSIONER: Q. You are the president of the company? A. Yes.

Q. You did not instruct Mr. Bruneau to take this objection? A. No, I did not instruct him. Of course, I knew he thought it was not fair. Personally, I have no objection.

MR. BRUNEAU: I think it is my duty to make it.

THE COMMISSIONER: I am not blaming Mr. Bruneau for taking the objection. He is quite right to make any objection that may appear to him to be plausible and proper on behalf of his client, but having heard what we have heard I think we will go on. Now, Mr. McRuer, I may have to stop you some time or other but we will go on for the present.

and proofs of the matter are discussed here when there is a proper forum where they will be discussed in due course.

THE COMMISSIONER: Did you say you wished to say something, Mr. Brunson?

THE WITNESS: I just want to say, my lord --

THE COMMISSIONER: All you can do is give evidence.

THE WITNESS: As far as I am personally concerned I have no objection whatever to having everything in connection with the company published and presented to the world, as far as that is concerned. I have nothing to withhold personally whatever, and while I think Mr. Brunson is probably right in saying there are certain things that ought to be discussed in the proper place and at the proper time, if you, sir --

BY THE COMMISSIONER: . You are the president of the company? A. Yes.

. You did not instruct Mr. Brunson to take this objection? A. No, I did not instruct him. Of course, I know he thought it was not fair, personally, I have no objection.

MR. BRUNSON: I think it is my duty to make it.

THE COMMISSIONER: I am not blaming Mr. Brunson for taking the objection. He is quite right to make the objection which may, perhaps, be from an professionally and proper on behalf of his client, but having heard what we have heard I think we will go on, Mr. Brunson, if you have no objection, unless or other but we will go on for the present.

MR. McRUER: Oh yes, my lord.

THE COMMISSIONER: You were quite entitled to take your objection.

MR. BRUNEAU: There is a wide ground for it which is much wider than this inquiry.

MR. McRUER: Now, may I have the production of the correspondence and any documents you have to indicate the amount of profits that were returned to the government, and the amount of profits that actually existed? A. Mr. Brown, I think, has those available.

Q. Yes; well, I would like to have them, please.

MR. BRUNEAU: What documents do you particularly desire?

MR. McRUER: I want them all. I haven't seen them.

MR. BRUNEAU: Call for what you wish; all is a very large order.

MR. BROWN: You can give the evidence without putting the documents in.

MR. McRUER: I want to file the supporting evidence before the Commission. I cannot ask the Commissioner -- in the first place probably you better give me -- we have the statement of the reserve as it was built up year by year,-- you can probably give me, if you have it compiled, a statement of what was added to it or substracted from it each year. Have you got that, Mr. Brown?

MR. BROWN: That is in the reserve, in the figures you have.

MR. McRUER: I know, but it was just a matter of

MR. MORGER: Oh yes, my lord.

THE COMMISSIONER: You were quite entitled to take your objection.

MR. BRUNNEN: There is a wide ground for it which is much wider than this inquiry.

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MR. BROWN: That is in the reserve, in the figures you have.

the compilation of it.

MR. BROWN: I have just got my working papers here. I will need that later.

MR. McRUER: Alright; well then, get me the exhibit, please, that was filed. You have gone over the figures, have you, Mr. Dawson, that are shown in exhibit 796, which shows the state of the inventory reserve year by year? A. I heard those figures presented to the Commission in Montreal.

Q. Do you suggest that is the first you have heard of them? A. In this form; I knew there was a reserve, yes. I knew there was a reserve, or estimates of inventory reserve. They were only estimates.

Q. Why do you say they were estimates; as a matter of fact, your reserve was carefully calculated on a basis each year by a percentage deduction from what it actually was, the inventory actually was? A. Yes, but it must be an estimate at the best because this thing changes continuously.

Q. Well, we will probably get from Mr. Brown in a little while how it was actually done, but you knew, did you not, each year what the calculation was for reserve? A. I knew that there was a tax, an income tax on profits, not on inventory, as I understand it.

Q. No, no, please answer my questions and we will get along. A. You have to answer the best way you can.

the completion of it.

MR. BROWN: I have just got my working papers here. I will need that later.

MR. McRUER: Alright; well then, get me the exhibit, please, that was filed. You have gone over the figures, have you, Mr. Dawson, that are shown in exhibit 798, which shows the state of the inventory reserve year by year? A. I heard those figures presented to the Commission in Montreal.

Q. Do you suggest that is the first you have heard of them? A. In this form; I knew there was a reserve, Yes. I knew there was a reserve, or estimates of inventory reserve. They were only estimates.

Q. Why do you say they were estimates; as a matter of fact, your reserve was carefully calculated on a basis based upon 50 % of a percentage indicating from what it actually was, the inventory actually was? A. Yes, but it must be an estimate at the best because this thing changes continuously.

Q. Well, we will probably get from Mr. Brown in a little while but it was probably done, but you know, did you not, know what the calculation was for reserve? A. I knew that there was a tax, an income tax on profits, not on inventory, as I understand it.

Q. No, no, please answer my questions and we will get along. A. You have to answer the best that you can.

Q. I asked a very simple question; did you not know year by year what the estimate was for inventory reserve? A. I knew what the estimate was, yes. It was only an estimate.

Q. You knew what the auditor had calculated for inventory reserve each year? A. I knew his estimate, yes.

Q. You knew that was not shown in the printed financial statements of the company? A. It was not shown in the printed financial statements. It was shown in the statements that were submitted to the Government.

Q. Are you swearing that it was? A. Surely.

Q. Well, we will see about that.

BY THE COMMISSIONER: Q. Pardon me, when the witness says submitted to the government -- A. Our auditors submitted to the government a full statement of the facts, and they were open on the books just as they were. Unfortunately he is not here to tell us. It was exactly as they were and they were open to the auditor and through him open to the government.

Q. Just a minute, just for the purpose of the record does the word "government" mean the Income Tax Department? A. The Income Tax Department.

BY MR. McRUER: Q. You say that the facts of your true profits were disclosed to the Income Tax Department? A. Subject to the statement that was on the record.

Q. Subject to what statement? A. The statement that they were reserves.

Q. I asked a very simple question; did you not know year by year what the estimate was for inventory reserve? A. I knew what the estimate was, yes. It was only an estimate.

Q. You knew what the auditor had calculated for inventory reserve each year? A. I knew his estimate, yes.

Q. You knew that was not shown in the printed financial statements of the company? A. It was not shown in the printed financial statements. It was shown in the statements that were submitted to the government.

Q. Are you saying that it was? A. Surely.

Q. Well, we will see about that.

BY THE COMMISSIONER: Q. Pardon me, when the witness says submitted to the government --

A. Our auditors submitted to the government a full statement of the facts, and they were open on the books just as they were. Unfortunately he is not here to tell us. It was exactly as they were and they were open to the auditor and through him open to the government.

Q. Just a minute, just for the purpose of the record does the word "government" mean the Income Tax Department? A. The Income Tax Department.

BY MR. MCRUER: Q. You say that the facts of your tax returns were disclosed to the Income Tax Department.

A. Subject to the statement that was on the record.

Q. Subject to what statement? A. The statement that they were reserves.

Q. Show me one scratch of a pen between your company and the government that indicates that the profits that were taken into this inventory reserve were disclosed to the government? A. I think you will find the statement shows the usual discounts.

Q. Let me see what you are relying on.

A. The statements I think are there.

Q. Let me see the statements from 1926 onward -- 1916 onward. Let me have the originals. According to exhibit number 796 the sum of $379,139.83 was taken into this inventory reserve in the year ending the 31st of March, 1916. Now, you were vice-president of the company at that time, were you not? A. I believe so.

Q. I see you are named as vice-president in the annual statement? A. Yes.

Q. And the annual statement that was published to the shareholders contains this statement:

"Your plants and properties have been maintained in a state of efficiency, and after making adequate allowance for depreciation, the manufacturing profits and rentals amount to $716,548.73".

Then, it goes on --

"After deducting Bond Interest, Dividend on Preferred Shares, and $10,000.00 carried to Reserve for bad debts, there remains at the credit of Profit and Loss Account the sum of $277,158.73 (against $133,937.89 last year), which, added to the balance of last year $1,103,163.76 leaves $1,380,322.49 to the credit of that account on 31st March, 1916."

Thanks.

Q. Have you any knowledge of a year thereafter your company and the government that indicates that the profits that were taken into this inventory reserve were transferred to the government? A. I think you will find the statement where the usual discussion.

Q. Let me see what you are relying on.

A. The statements I think are there.

Q. Let me see the statements from 1920 onward 1916 onward. Let me have the originals. According to exhibit number 796 the sum of $279,159.59 was taken into this inventory reserve in the year ending the 31st of March, 1916. Now, you were vice-president of the company at that time, were you not? A. I believe so.

Q. I see you are named as vice-president in the annual statement? A. Yes.

Q. And the annual statement that was published to the shareholders contains this statement:

"Your plants and properties have been maintained in a state of efficiency, and after making adequate allowance for depreciation, the remaining profits and reserve amount to $716,844.75".

Then, it goes on --

"After defraying Bond Interest, Dividend on Preferred Shares, and $10,000.00 carried to Reserve for bad debts, there remains at the credit of profits and loss account the sum of $447,[illegible] (Original $[illegible]) [illegible] Reserve for Inventory at May 31st $[illegible] [illegible] $[illegible] on the credit of the account on [illegible]

And the profit and loss account shows "by sales, $5,540,214.92; add inventory of cloth and cotton in process of Manufacture, 31st March, 1916, $649,660.20, a total of $6,189,875.12." Then, there is a debit account ~~of~~ "To raw material, manufacturing cost, marketing of products, administration, repairs, maintenance, and depreciation, $4,378.185.12", and "net profits to profit and loss account" are shown as $515,114.32. The inventory in the balance sheet is set out in detail under cloth, process and yarns, raw cotton, supplies, insurance unearned, $1,222,680.54. Now, I show you the return that was made to the government by your firm, a copy of which is furnished by Mr. Brown, and I ask you to show on there where it is disclosed to the government that you had set aside $379,139.83 in inventory reserve? A. I don't see, Mr. McRuer, that there was any call here, from the standpoint of the government, from the standpoint of the Income Tax Department, to say that a man must pay -- or that you must take your inventory in on a certain basis.

Q. I am not asking you that question. I am asking you first to show me where there is anything on the statement that shows that you disclosed to the government that you had appropriated to inventory reserve $379,000?

MR. BRUNEAU: In the first place, my lord, I object to the form of that question. There is nothing to show that a reserve has been appropriated. All there is to show is that a system of valuation has been

and the profit and loss account shown "by sales, $4,[illegible],724.82; and inventory at cost and extra in process of manufacture, [illegible] $[illegible],[illegible]," a total of $6,189,875.12." Then, there is a debit account of "To raw material, manufacturing cost, marketing of products, administration, repairs, maintenance, and depreciation, $4,378,186.12", and "net profits to profit and loss account" are shown as $812,114.82. The inventory in the balance sheet is set out in detail under cloth, process and yarns, raw cotton, supplies, insurance unexpired, $1,[illegible],[illegible]. Now, I show you the return that was made to the government by your firm, a copy of which is furnished by the Crown, and I ask you to show on there where it is disclosed to the government that you had set aside $579,189.82 in inventory reserve? A. I don't see, Mr. Mosher, that there was any call here, from the standpoint of the government, from the standpoint of the Income Tax Department, to say that a man must pay -- or that you must take your inventory is on a certain basis.

Q. I am not asking you that question. I am asking you first to show me where there is anything on the statement that shows that you disclosed to the government that you had appropriated to inventory reserve $579,000?

[illegible]

adopted.

THE WITNESS: It is a long time back to 1916. It is hard for one's memory to travel back that far.

BY MR. McRUER: Q. You have made a statement that the books were open to the government, they saw it and they knew it; now, I am challenging that statement directly. I am taking the very first return and I want to show to you you were taxed on the basis of the net profit shown on your balance sheet and that the government knew nothing about the $379,000? A. There is no reason why they should not if they examined the inventory because all this was perfectly open. Mr. Brown, when he took the books over on the illness and subsequent death of the auditor, he saw all these things and there was nothing covered.

Q. You say there was nothing covered on the returns you made to this Commission? You didn't disclose a word about the $2,100,000 reserve that you had? A. We were not asked. We disclosed everything.

MR. BRUNEAU: That is wrong.

MR. McRUER: Until after.

MR. BRUNEAU: That is wrong.

MR. McRUER: Where is it wrong?

THE COMMISSIONER: Mr. Bruneau, what is your objection?

MR. BROWN: I think Mr. Howson will support me.

MR. BRUNEAU: I object to Mr. McRuer proceeding in his examination by the form of making statements. I think, my lord, he should ask questions, especially

many years.

THE WITNESS: It is a long time back to 1918. It is hard for one's memory to travel back that far.

BY MR. MORGAN: Q. You have made a statement that the books were open to the government, they saw it and they knew it; now, I am challenging that statement directly. I am taking the very first return and I want to show to you you were taxed on the basis of the net profit shown on your balance sheet and that the government knew nothing about the $[illegible],000?

A. There is no reason why they should not if they examined the inventory because all this was perfectly open. Mr. Brown, when he took the books over on the illness and subsequent death of the auditor, he saw all these things and there was nothing covered.

Q. You say there was nothing covered on the returns you made to this Commissioner? You didn't disclose a word about the $2,100,000 reserve that you had? A. We were not asked. We disclosed everything.

Q. [illegible] THAT IS [illegible]

MR. [illegible]: Until after.

Q. [illegible] THAT IS [illegible]

MR. MORGAN: Where is it wrong?

THE COMMISSIONER: Mr. Brunsden, what is your [illegible]

MR. BROWN: I think Mr. Gowson will support me.

MR. MORGAN: I object to Mr. Gowson [illegible] in his examination by the form of leading questions.

Q. MORGAN: Do [illegible] [illegible]

when the statements made are wrong.

MR. McRUER: I don't want to make any wrong statements. All I want is the facts.

THE COMMISSIONER: You are perfectly entitled to object to any wrong statement. Mr. McRuer is referring to a document filed with this Commission and he says it contains, or does not contain certain matter.

MR. BROWN: I will just point out where Mr. McRuer is wrong. There is a form, and I think Mr. Howson will admit it, 13-B, which calls for certain information. This form was filed with the Commission's auditors considerably many weeks before this other data was supplied in giving the fluctuations in the reserve from year to year. I think Mr. Howson and Mr. Shepherd are qualified accountants and ought to know of form 13-B on raw material and inventory data. The inventory reserve is disclosed quite openly. As a matter of fact, if we had wanted to hide anything this form would not have gone forward in the way it has gone.

MR. McRUER: I will have Mr. Howson verify what you state. There is a list of reserves called for in the Commission's form, and there was not a word in that of their being any inventory reserve.

MR. BROWN: Excuse me, Mr. McRuer; that point came up with Mr. Howson. This questionnaire distinctly said "show reserves set up on the books of the company". This reserve has never been set up on the

when the statements made are wrong.

MR. MOSER: I don't want to make any wrong statements. All I want is the facts.

THE COMMISSIONER: You are perfectly entitled to object to any wrong statement. Mr. Moser is interested in a Agreement filed with this Commission and he says it prejudices, it does not concern material matter.

MR. BROWN: I will just point out where Mr. Moser is wrong. There is a form, and I think Mr. Howson will confirm it, IS-B, which calls for material information. This form and filed with the Commission's auditors considerably many weeks before this matter was mentioned in giving the information in the reserve from year to year. I think Mr. Howson and Mr. Shepherd are qualified accountants and ought to know of form IS-B on raw material and inventory data. The inventory reserve is disclosed quite openly. As a matter of fact, if we had wanted to hide something this form would not have gone forward in the way it has gone.

MR. MOSER: I will have Mr. Howson verify what you state. There is a list of reserves called for in the commissioner's form, and there was not a word in that of their being any inventory reserve.

MR. BROWN: Mr. Howson, Mr. Moser, this came up with Mr. Howson. This questionnaire distinctly said "show reserves set up on the books of the company". This reserve has never been set up on the

books of the company.

THE COMMISSIONER: I cannot be listening to this kind of argument. Frame your question.

BY MR. McRUER: Q. Is it a fact that this reserve is not shown on the books of the company? A. It is only shown in deducting -- in the deduction made on inventory. There are no entries in the books, as far as I know, purely a question of the deduction from the inventory.

Q. Was it not a fact that the process that you went through in deducting from the inventory was to value raw cotton at about as low as $8.00 when it was selling in the market at $40.

THE COMMISSIONER: Dollars?

BY MR. McRUER: Q. Eight cents a pound when it was selling in the market at 40? A. I don't know, I cannot tell you on any individual statement, but I do know this that in buying and selling of cotton you are playing with dynamite. In one year that I have a record of here, in 1920 spot cotton sold at 43.75 a pound. Within one year it sold at 11 cents a pound, in other words, a loss of 32.75-3/4¢ a pound in one year.

(page 12075 follows)

Cross-Exd. by the Commissioner.

THE COMMISSIONER: I cannot be listening to this kind of argument. Frame your question.

BY MR. MONDER: Q. Is it a fact that this reserve is not shown on the books of the company? A. It is only shown in deducting -- in the deduction made on inventory. There are no entries in the books, as far as I know, purely a question of the deduction from the inventory.

Q. Was it not a fact that the process that you went through in deducting from the inventory was to value raw cotton at about as low as $8.00 when it was selling in the market at $40.

THE COMMISSIONER: Argument.

BY MR. MONDER: Q. Eight cents a pound when it was selling in the market at 40? A. I don't know, I cannot tell you on any individual statement, but I do know this that in buying and selling of cotton you are playing with dynamite. In one year that I have a record of here, in 1920 spot cotton sold at 43.75 a pound. Within one year it sold at 11 cents a pound, in other words, a loss of 32.75-3/4¢ a pound in one year.

(page 12271 follows)

Q. And is it not true that you were hedging all the time? A. No, excuse me. You buy your cotton, but you cannot use your cotton to the last piece that is sold because you have an accumulate stock to take care of under the method in vogue at the present day, and when you do sell, if the market dropsyou have to protect your customers who will refuse to take delivery, and the company has to take the loss; and if you pay the government on that basis, and the Act distinctly says you are paying on profits, if you take in your cotton at 40 cents and it drops to 20 cents, you are paying to the government money that they are not entitled to and that they do not expect. You cannot tell what your profits are as long as the inventory is there.

Q. When you buy raw cotton cheap and it goes up, you have the advantage? A. It goes into profits, and the government get their share.

Q. But I suggest that the government has not got its share. A. I beg your pardon, we say it has.

Q. How much has your assessment amounted to in income tax during the last week? A. That will be revealed in the next statement when we prepare our annual statement. If our inventory goes up --

Q. I am asking you the question, How much the government has claimed against you for income for the years 1921 to 1936, which they say has not been paid? A. They have submitted a statement, speaking from memory, which they claim is tentative

Q. And is it not true that you were dealing all the time? A. No, excuse me. You buy your cotton, [illegible] to me last place that is still because you have an account to take care of under the method in vogue at the present day, and when you do sell, if the market drops you have to protect your customers who will refuse to take delivery, and the company has to take the loss; and if you pay the government on that basis, and the act distinctly says you are paying on profits, if you take in your cotton at 40 cents and it drops to 20 cents, you are paying to the government money that they are not entitled to and that they do not expect. You cannot tell what your profits are as long as the inventory is there.

Q. When you buy raw cotton cheap and it goes up, you have the advantage? A. It goes into profits, and the government get their share.

Q. But I suggest that the government has not got it to share. A. I beg your pardon, we pay it here.

Q. How much has your concessionaire accounted to in income tax during the last week? A. That will be covered in the usual manner when we receive the usual certificate. I am [illegible] that up.

Q. I am sending you the question, how much the government has claimed against you for income for the years 1921 to 1926, which they say has not been paid? A. That [illegible] something from memory, which they claim is tentative

and subject to correction, of some $220,000.

Q. With penalties amounting to ? A. No penalties. There is interest added.

Q. Interest added amounting to ? A. I do not remember that.

Q. Is it not over $400,000 ? A. No, I do not think it amounts to that. Mr. Brown has the figures, and they are, as the Department says they are, tentative, and if in time it should be revealed when the case comes before the proper tribunal, that we have taken more than we should have taken we are here to make it good. We do not want a dollar we are not entitled to, and we do not want to pay on profits that are not revealed.

THE COMMISSIONER: When we adjourned this particular question last week the evidence was ordered sent to the Income Tax Department for whatever action it might think proper to take. I want to know what, if any, action the Department has taken.

MR. McRUER: I think I will get that from Mr. Brown because he was there.

BY MR. McRUER: Q. Now, Mr. Dawson, I want to come back to something that is perhaps a little more serious. I want to read to you the certificate of inventory that is on the return for 1916 that all corporations were required to sign. It is filled out on your return as follows:

"I, Alexander Bruce, the Secretary Treasurer of Canadian Cottons Limited, do hereby certify that I have made a careful investigation of the prices on which the inventory of merchandise and materials on hand was calculated for the

and subject to correct us, of some $400,000.

Q. With penalties amounting to ? A. No penalties. There is interest added.

Q. Interest added amounting to ? A. I do not remember that.

Q. Is it not over $400,000 ? A. No, I do not think it amounts to that. Mr. Brown has the figures, and they are, as the Department says they are, tentative, and if in time it should be revealed when the case comes before the court that we have taken more than we should have taken we are free to make it good. We do not want a dollar we are not entitled to, and we do not want to pay over profits that are not revealed.

MR. [illegible]: When we adjourned this particular question last week the evidence was referred to the Income Tax Department for whatever action it might think proper to take. I want to know what, if any, action the Department has taken.

Mr. [illegible]: I think I will get that from Mr. Brown because he was there.

MR. [illegible]: Q. Now, Mr. Brown, I want to come to something that is perhaps a little more serious. I want to read to you the certificate of inventory that is on the return for 1918 that all corrections were required to sign.

It is signed in the proper manner as follows:

"I, Alexander Brown, Secretary Treasurer of Canadian Cotton Limited, do hereby certify that I have made a personal investigation of the notes or which the inventory of merchandise and materials

accounting period which ended 31st March, 1918, and I make the following declaration, knowing same to be true and correct, viz.:"

And here is the declaration they are required to make:

Here state fully the basis on which the inventory was taken at the beginning and end of the period.

If any allowance was made for shrinkage or decline in values, the amount must be stated.

And the statement that is set opposite that is:

"Cloth and process stock taken at cost less 15 per cent, raw cotton and supplies at cost. At end of period taken on same basis."

Now as a matter of fact that could not be true, could it? A. I do not know. The statement was made by Mr. Bruce, and unfortunately he is dead, and cannot explain for himself. I do not know that that statement is not true.

Q. This statement went forward to the government and you paid your business profits tax on that basis. That is a fact, is it not? A. Presumably so. I do not know.

Q. And the net profits that you show in this statement -- Where is the 1916 statement? Is that here ?

MR. BROWN: I do not think there is any 1916. The Company's year ending in March would bring it into the year following. 1917 would be the first period.

BY MR. McRUER: Q. In 1917 it had increased to $823,000. The amount entered that year was $444,292.60. The net profits, according to the balance sheet, were $926,615. I want to know where there is

accounting period which ended 31st March, 1918, and I make the following declaration, knowing same to be true and correct, viz.:"

And here is the declaration they are required to make:

Here state truly the basis on which the inventory was taken at the beginning and end of the period.

If any allowance was made for antiques or decline in values, the amount must be stated.

And the statement that is set opposite that is:

"Cloth and process stock taken at cost less 15 per cent, raw cotton and supplies at cost. At end of period taken on same basis."

Now, is it your contention that it could not be true, could it? A. I do not know. The statement was made by Mr. Bruce, and unfortunately he is dead, and cannot explain for himself. I do not know that that statement is not true.

Q. This statement went forward to the government and you paid your business profits tax on that basis. That is a fact, is it not? A. [illegible] I do not know.

Q. And the net profits that you show in this statement -- Where is the 1916 statement? Is that here?

MR. BROWN: I do not think there is any 1916. The Company's year ending in March would bring it into the year following. 1917 would be the first period.

BY MR. MONK: Q. In 1917 it had increased to $888,000. The amount entered that year was $444,[illegible]. The net profits, according to the [illegible]

any disclosure of the inventory reserve or that the inventory was not taken on the basis of the certificate contained there. A. If Mr. Brown has studied these, he could say. Unfortunately, as I say, the man who signed these documents has been dead many years. I have no doubt that Mr. Brown and Mr. Howson, who have been giving a good deal of attention and examination to these reports during the years, may be able to reveal something there. I cannot recall after all these years.

Q. You have made the statement that the whole matter was put before the government. I want to know on what you base that statement. I cannot find it in these records. A. On my belief that that is so.

Q. Oh, I see. A. I think Mr. Brown has in his records there some correspondence that was carried on during these years with Mr. Breadner of the Income Tax Department.

Q. And I suggest to you that that correspondence was claiming an additional allowance over and above the on you put in secretly? A. That has got to be proven. You have no evidence that that has been done.

Q. Your records will show you claimed it. A. There is a proper time and place for these records to be examined.

Q. Well then, will you tell me ~~kn~~ now whether you have satisfied yourself whether you computed the business profits tax on the full amount of your profits during the years, 1916, 1917, 1918, 1919 and 1920, when the Business Profits Tax was in

any discharge of the inventory reserve or the inventory was not taken on the basis of the [illegible]. A. If Mr. Brown has studied these, he could say. Unfortunately, as I say, the man who signed these documents has been dead many years. I have no doubt that Mr. Brown and Mr. Howson, who have been giving a good deal of attention and examination to these reports during the years, may be able to reveal something there. [illegible]

Q. You have made the statement that the whole matter was laid before the [illegible]. I want to know on what you base that statement. I cannot find it in these records. A. On my belief that that is so.

Q. Oh, I see. A. I think Mr. Brown has in the records there some correspondence that was carried on during those years with Mr. Bradner of the Income Tax Department.

Q. And I suggest to you that that correspondence was claiming an additional allowance over and above the one you put in correctly? A. That has got to be proven. You have no evidence that that has been done.

Q. Your records will show you claimed it. A. There is a proper time and place for these records to be examined.

Q. Well then, will you tell me as now whether you have [illegible] your [illegible] profits during the years, 1916, 1917, 1918, 1919 and 1920, when the business [illegible]

effect? A. It is my belief that that is true.

Q. On what do you found that belief? A. The statement of Mr. Brown who investigated the books.

Q. Has Mr. Brown told you that you have? A. I gathered from him that everything was arranged through Mr. Miller, who represented us at that time, and Mr. Breadner, and that the whole matter was definitely discussed and settled to the satisfaction of the Department.

Q. Has Mr. Brown told you any such thing? A. He will answer for himself.

Q. No, I am going to ask you that. You are making statements as though this thing was all cleared up with the government, and I am going to get on what they are founded. I want to know if Mr. Brown has told you any such thing or if Mr. Brown has not told you, if the records show you that you have not paid it? A. There is no information given to me to that effect. Mr. Brown is here, and he can no doubt answer that question for himself. The books were open to him and to the government, and if a proper settlement was not made doubtless the Department would know it because there was nothing hidden.

Q. Has Mr. Brown not told you that you wrote down your inventory by as much as 70 per cent, market or cost whichever was lower, during some of these years? A. No.

Q. He has not told you that? A. No.

Q. Have you asked him any questions since you were in the box last Monday to find out anything about the situation? A. Not in regard to these old

effect? A. It is my belief that that is true.

Q. On what do you found that belief? A. The statement of Mr. Brown who investigated the books.

Q. Has Mr. Brown told you that you owe?

A. I gathered from him that everything was arranged through Mr. Miller, who represented us at that time, and Mr. Brewster, and that the whole matter was definitely dispossed and settled to the satisfaction of the Department.

Q. Has Mr. Brown told you any such thing?

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Q. No, I am going to ask you that. You are making statements as though this thing was all cleared up with the government, and I am going to get on what they are founded. I want to know if Mr. Brown has told you, if the records show you that you have not paid it? A. There is no information given to me to that effect. Mr. Brown is here, and he can no doubt answer that question for himself. The books were open to him and to the government, and if a proper settlement was not made doubtless the Department would know it because there was nothing hidden.

Q. Has Mr. Brown not told you that you wrote down your inventory by as much as 70 per cent, market or cost whichever was lower, during some of these years? A. No.

A. [illegible] Q. [illegible]

Q. Have you asked him any questions since you [illegible] last Monday to find out anything about [illegible]? A. Not in regard to these old

years. We have discussed the question of recent years when I personally reviewed the statements and signed them.

Q. Yes? A. From 1932 on, I think it was.

Q. Just let us take the statement for 1934, when you say you personally reviewed them and signed them. I want to deal with that one before you leave the witness box.

THE COMMISSIONER: 1934 you say?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: That is income tax, not business profits tax?

MR. McRUER: Yes, my lord.

BY MR. McRUER: Q. In the year 1934 -- no, it is 1935 I want to get -- was it not a fact that during each of these years since 1916 you sent to the government a copy of your printed balance sheet? A. They always got a copy of the printed balance sheet, ever since they began to be printed, yes, and also, as I understand it, the auditor and the representative of the Income Tax Department met and went over the account. Personally I did not meet the government officials, but the auditor did, and reported to me that everything was satisfactory.

Q. The auditor no doubt reported to you that everything was satisfactory.

THE COMMISSIONER: Will you show me the auditor's certificate on this, Mr. McRuer. It seems to me he said the auditor took the inventory as it was given to him and did not seem to question the prices put on raw materials.

years. We have discussed the question of recent years when I personally reviewed the statements and signed them.

Q. Yes? A. From 1952 on, I think it was.

Q. Just let us take the statement for 1954, when you say you personally reviewed them and signed them. I want to deal with that one before you leave the witness box.

THE COMMISSIONER: Does you say?

MR. MOLDER: Yes, my lord.

THE COMMISSIONER: That is income tax, not business profits tax?

MR. MOLDER: Yes, my lord.

MR. MOLDER: Q. In the year 1954 -- no, it is hard to get -- was it not a fact that during each of these years since 1946 you sent to the revenue audit [illegible] printed balance sheet? A. They always got a copy of the printed balance sheet, ever since they began to be printed, yes, and also, as I understand it, the auditor and the representative of the Income Tax Department met and went over the accounts. Personally I did not meet the government [illegible], but the auditor [illegible] that everything was satisfactory.

Q. The auditor no doubt reported to you that everything was satisfactory.

THE COMMISSIONER: Will you show me the auditor's certificate on this, Mr. Molder. It seems to me he said the auditor [illegible] satisfactory [illegible] [illegible].

MR. McRUER: The auditor's certificate reads as follows:

"I have examined the books and accounts of Canadian Cottons, Limited, for the year ended March 31st, 1935. I have verified the cash in bank and the investment securities and the revenue therefrom.

I have obtained all the information and explanations required, and in my opinion, the attached statements and balance sheet, based upon the certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as shown by the books of the Company."

BY MR. McRUER: Q. Now you see, Mr. Dawson, that the auditor gets from someone in your Company a statement of the inventory. Who would that someone be? A. That is the usual form that all auditors sign.

Q. I trust it is true. A. In addition to that, Mr. McRuer, the auditor has access to and he can go over with the representatives of the Income Tax Department the details of the business.

Q. Now you are telling us what somebody else did. I want to know what you did. A. Let me see the certificate.

Q. I want to know who it was that signed on behalf of the company the certificate on which the auditor based that financial statement in 1935?

MR. GRANT: The auditor's certificate reads as follows:

"I have examined the books and accounts of Canadian Cottons, Limited, for the year ended March 31st, 1923. I have verified the cash in bank and the investment securities and the inventories.

I have obtained all the information and explanations required, and in my opinion, the attached balance sheet, when upon the certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the company's affairs to close, according to the best of my information and the explanations given to me and as shown by the books of the company."

BY MR. HOUGH: Q. Now you see, Mr. Dawson, that the auditor gets from someone in your company a statement of the inventory. Who would that accounter be? A. That is the usual form that all auditors sign.

Q. I know it is. A. In reply to that, Mr. Meagher, the auditor has access to and he can go over with the representatives of the Income Tax Department the details of the business.

Q. Now you are telling us what everybody else did? I want to know what you did. A. I am the auditor.

Q. I want to know what you did, please. A. Subject to the company the certificate on which the auditor based that financial statement in 1923

A. Will you be good enough to allow me to see the statement submitted to the government -- I mean the inventory report?

Q. I have asked you who signed the statement on behalf of your Company that was submitted to the auditor. Is it possible to answer that question?

A. It may be revealed here.

THE COMMISSIONER: For what year?

MR. McRUER: For 1935.

THE WITNESS: Perhaps Mr. Brown may help me. It says here, "Are the financial statements submitted herewith in accordance with the books of the Company?"

BY MR. McRUER: Q. Will you please answer my question, and then I will deal with that statement?

THE COMMISSIONER: Make the question very clear.

BY MR. McRUER: Q. I ask you who it is in your Company that would sign the certificate that is referred to in the auditor's certificate.

THE COMMISSIONER: That is the one the auditor relied upon?

MR. McRUER: Yes, my lord. The one that formed the basis of the auditor's statement.

THE WITNESS: May I explain how these statements are made up ?

BY MR. McRUER: Q. No. I am asking you a very simple question and I am going to insist upon it being answered before any speeches are made. My question is, who in your Company signed the certificate that is referred to in the auditor's certificate. I will read it to you again, and listen:

A. Will you be good enough to allow me to see the statement submitted to the Government -- I mean the inventory report?

Q. I have asked you who signed the statement on behalf of your Company that was submitted to the auditor. Is it possible to answer that question?

A. It may be revealed here.

THE COMMISSIONER: For what?

MR. MORROW: For 1926.

THE WITNESS: Perhaps Mr. Brown may help me. It says here, "Are the financial statements submitted herewith in accordance with the books of the Company?"

BY MR. MORROW: Q. Will you please answer my question, and then I will deal with that statement.

THE COMMISSIONER: Make the question very clear.

BY MR. MORROW: Q. Can you see it in your Company that would sign the certificate that is referred to in the auditor's certificate.

THE COMMISSIONER: Are you asking the auditor?

MR. MORROW: Yes, my lord. The one that forms the basis of the auditor's statement.

THE WITNESS: May I explain how these statements are made up?

BY MR. MORROW: Q. No. I am asking you a very simple question and I am going to insist upon it being answered before any speeches are made. My question is, who in your Company signed the certificate that is referred to in the auditor's certificate. I will read it to you again, and listen:

"I have obtained all the information and explanations required, and in my opinion the attached statements and balance sheet, based upon the certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the year's operations."

Q. Now I want to know who certified the inventories presented? A. This statement as prepared by the auditor for the year in question --

Q. You are referring to the income tax return. Now I am asking you who signed the certificate of the inventories to the auditor of the company? Now that is a perfectly plain question. A. I do not know who that is. It is the general manager probably.

Q. Does he sign them? A. That I cannot say.

Q. Do you not require the general manager to sign? A. It should be signed by someone.

Q. And these certificates will be in existence, will they not? A. I would presume they are signed by some official of the company who was authorized to do it.

Q. Then do you say that if Mr. Tolmie certified these inventories as stated in the balance sheet as correct inventories, that he is the man who is responsible for undervaluing the inventories in the statement? A. Excuse me, I do not think you have a right to say they were undervalued That is absolutely not so.

Q. They were stated in this statement to be $396,000 less than they actually were. That is correct? A. I think you will find that is

explanations required, and in my opinion the attached statements and balance sheet, based upon the certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the year's operations."

Q. Now I want to know who certified the inventories presented? A. This statement as prepared by the auditor for the year in question --

Q. You are referring to the income tax return. Now I am asking you who signed the certificate of the inventories to the auditor of the company? Now that is a perfectly plain question. A. I do not know who that is. It is the general manager probably.

Q. Does he sign them? A. That I cannot say.

Q. Do you not require the general manager to sign? A. It should be signed by someone.

Q. And these certificates will be in existence, will they not? A. I would presume they are signed by some official of the company who was authorized to do it.

Q. Then do you say that if Mr. Tolmie certified these inventories as attached to the balance sheet as correct inventories, that he is the man who is responsible for undervaluing the inventories in the statement? A. Excuse me, I do not think you have a right to say they were undervalued that is assuming you.

Q. They were stated in this statement to be $[illegible],000 less than actually were. Now is it correct? A. I think you will find that is

not the case. I think you will find --

THE COMMISSIONER: What year ?

MR. McRUER: 1935.

THE WITNESS: This statement was for 1934-35 and the inventory is the only question before the commission.

MR. McRUER: I beg pardon, I am wrong. The inventory was stated to be $2,176,000 less that year than it actually was. Now that could be no accident. A. The facts are right there on the face of the statement.

Q. I am dealing with this statement that was made to the shareholders and the public. Then I am going to deal with what was certified to by you. But I am dealing first with what was certified to by the accountant to the shareholders. As a matter of fact you had an inventory reserve in 1935 of $2,174,000, did you not ? A. No, I would not say so.

Q. Well, that is the statement Mr. Brown has given us. A. It is an estimate of values. That is a different thing from saying these are the values. You cannot tell the value of the inventory until it is disposed of.

Q. If it was taken at market or cost, whichever was lower -- A. It does not say so.

Q. Will you please wait until I ask my question before you answer it. My question was perfectly plain. I say if the inventory was taken at market or cost, whichever was the lower, it would have been shown to be $2,176,675 more in your annual statement than was shown? A. It was not taken on that basis

not the case. I think you will find --

THE VICE-CHAIRMAN: What year?

MR. MORDEN: 1935.

THE WITNESS: This statement was for 1934-35 and the inventory is the only question before the commission.

MR. MORDEN: I beg pardon, I am wrong. The inventory was stated as be $2,174,000 that year was it actually was. You had quite an accident. A. The facts are right there on the face of the statement.

Q. I am dealing with this statement that was made by the [illegible] and the public. That is on going to deal with what was certified to by you. But I am dealing first with what was certified to by the accountant to the shareholders. As a matter of fact you had an inventory reserve in 1935 of $2,174,000, did you not? A. No, I would not say so.

Q. Well, that is the statement Mr. Brown has given us. A. It is an estimate of values. That is a different thing from saying these are the values. [illegible] the value of the inventory until it is disposed of.

Q. If it was taken at market or cost, whichever was lower -- A. It does not say so.

Q. Will you please wait until I ask my question before you answer it. My question was [illegible] when any if the inventory was taken at market or cost, whichever was lower, it would have been taken in $2,174,000 same in your annual statement [illegible] answer? A. It was not taken on that basis

in the statement.

BY THE COMMISSIONER: Q. That is not the question. If it had been taken on that basis, is it not true it would have been more by $2,176,000? A. Only an estimate, my lord.

Q. That is not the question.

BY MR. McRUER: Q. How do you say it is an estimate? I say, if it had been taken on that basis it would have shown $2,176,000 more? A. It is admitted.

Q. Then we have got at last an answer to the question. Now then, your profit and loss statement for the year ending March 31, 1935, shows the net profit for the year to be $151,979.54. If your inventory had been taken at market or cost, whichever was the lower, your profit and loss statement would have shown the net profit to have been $396,348.70 more in the year 1935 than is there shown to be in your profit and loss statement as published to the shareholders. A. If it had been, which it was not.

Q. All right. We perfectly know it was not. Now let me deal with what was disclosed to the government. This income tax return, Form T2 1934 was signed by you, was it not? A. That is right.

Q. And the certificate that you signed, let me read it to you:

"It is hereby certified on behalf of the above named Company that this return and the statements and schedules attached contain a full and complete disclosure of the total income of the said Company from all sources,

in the statement.

BY THE COMMISSIONER: Q. That is not the question. If it had been taken on that basis, is it not true it would have been more by $2,176,000? A. Only an estimate, my lord.

Q. That is not the question.

BY MR. MORTON: Q. How do you say it is an estimate? I say, if it had been taken on that basis it would have shown $2,176,000 more?

A. It is estimated.

Q. Then we have got at least an answer to the question. Now then, your profit and loss statement for the year ending March 31, 1935, shows the net profit for the year to be $131,979.94. If your inventory had been taken at market or cost, whichever was the lower, your profit and loss statement would have shown the net profit to have been $296,246.70 more in the year 1935 than is there shown to be in your profit and loss statement as published to the shareholders. A. If it had been, which it was not.

Q. All right. We perfectly know it was not. Now let us deal with what was disclosed to the government. This income tax return, Form 2C 1934 was signed by you, was it not? A. That is right.

Q. And the certificate that you signed, let me read it to you:

"It is hereby certified on behalf of the above named Company that this return and the statements and schedules attached hereto are a full and complete disclosure of the total

that the information given herein is true in every respect, that the expenditures claimed were actually incurred on behalf of the Company, and that the trading, operating and profit and loss accounts and statements of assets and liabilities and other statements submitted or furnished herewith truly reflect the affairs of the said Company."

Q. That is what you solemnly signed? A. Yes.

Q. Let me read to you Question No.15:

15. Were inventories taken at (a) cost price? (b) market value?

and your answer to question in (a) was "at cost or list."

The question proceeds:

If not, on what basis?

and your answer to that is:

Less usual discounts.

Then Question No.16 reads:

Are there any reserves against inventories?

and your answer to that is "No".

Now then, how can you say, Mr. Dawson, that that statement fully and truly reflects the affairs of the Company in the light of the fact that you had inventory reserves of $2,100,000, and that you had transferred from profit and loss account to the inventory reserve $396,000 that year? If the inventory reserve had been taken on the basis you say it had been taken in that statement -- A. The statement is quite clear. It was the same process that had been continued for twenty years. It says

that the information given herein is true in every respect, that the expenditures claimed were actually incurred on behalf of the Company, and that the trading, operating and profit and loss accounts and statements of assets and liabilities and other statements submitted or furnished herewith truly reflect the affairs of the said Company."

Q. That is what you solemnly signed? A. Yes.

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and your answer to question in (a) was "at cost or list."

The question proceeds:

If not, on what basis?

and your answer to that is:

Less usual discounts.

Then question No.16 reads:

"Are there any reserves against inventories?"

and your answer to that is "No".

Now then, how can you say, Mr. Dawson, that that statement fully and truly reflects the affairs of the Company in the light of the fact that you had inventory reserves of $2,100,000, and that you had transferred from profit and loss account to the inventory reserve $396,000 that year? If the inventory reserve had been taken on the basis you say it had been taken in that statement -- A. The statement is quite clear. It was the write-downs that had been continued for twenty years. It expu-

distinctly that these figures were taken at cost or list less usual discounts, and theusual discounts were shown there from year to year and were exposed to the government every time.

Q. Where, Dr. Dawson, for twenty years has it been shown in a single one of your written records that there was any discount disclosed to the government except that 15 per cent discount that is mentioned? A. These are written records and they are open to the government.

Q. I suggest to you that any person who would read that "Less usual discounts" would say, less the usual ones that are claimed in the records and nothing more, and where you make a specific statement that there is no inventory reserve --
A. There was not other than the usual discounts, and they were open to anybody to see.

Q. They were not shown in your books. You have told me so a moment ago. A. No, because they were only estimates.

Q. How is it open for anybody to see when it is not shown in your books of account ? A. It is shown on the returns which are open to the government as they were to the auditors. It did not take Mr. Brown five minutes when he came in when Mr. Baker was taken ill. We said to Mr. Brown, "Here are the books on which questions were asked by the government. You fill them out correctly." Mr. Brown did not have any difficulty finding out what the discounts were.

Q. After the accountants of this Commission had made demands on you to make a complete record.

been shown in a single one of your written records that there was any discount disclosed to the [illegible] in mentioned? A. These are written records and they are open to the government.

Q. I suggest to you that any person who would read the "usual discounts" would say, less the usual ones that are claimed in the records and nothing more, and where you make a specific statement that there is no inventory reserve --

A. There was not other than the usual discounts, and they were open to anybody to see.

Q. They were not shown in your books. You have told me so a moment ago. A. No, because they were only estimates.

Q. How is it open for anybody to see when it is not shown in your books of account ? A. It is shown on the returns which are open to the government as they were to the auditors. It did not take Mr. Brown five minutes when he came in when Mr. Baker was taken ill. We said to Mr. Brown, "Here are the books on which questions were asked by the government. You fill them out correctly." Mr. Brown did not have any difficulty finding out what the discounts were.

Q. After the examination of this Consolidation [illegible] you [illegible] a [illegible] report.

I examined you in June and asked you about the writing down of the inventory in March, and you never said a word about $2,100,000. A. Excuse me, I told you we had made an extra discount because the duty had been changed.

Q. Wait till read exactly what was said.

THE COMMISSIONER: What is the reference?

MR. McRUER: Page 7218 of the evidence. Here it is:

"Mr. McRuer: I was trying to find out when the common dividend was stopped. It must have been 1931. Dividend was paid in 1930 but the dividend was reduced on the common shares $162,930 instead of $217,000.

A. And then probably the next year discontinued.

Q. Of course, these statements that are published are always subject to the question of inventory and at what price the inventory is taken in at. A large profit can very often be tucked away by undervaluation of inventory.

A. I may just say that our inventory ever since I have had anything to do with the business has been constant. There would be a change, though, for instance, if the inventory was very large one year and very small the next any reduction in the inventory might come out in the profits of the next year, but the custom is to take the inventory on the same basis year by year.

Q. But you did not always do it?

A. Excepting this year we have because of the reason we mention, as soon as the Budget was

I examined you in June and asked you about the writing down of the inventory in March, and you never said a word about $2,100,000. A. Excuse me, I told you we had made an extra discount because the duty had been changed.

Q. Wait till I read exactly what was said.

[illegible]

Mr. McHUGH: Page 7218 of the evidence. Here it is:

"Mr. Hackett: I was trying to find out when the common dividend was stopped. It must have been 1931. Dividend was paid in 1930 but the dividend was reduced on the common shares $162,380 instead of $217,000.

A. And then probably the next year discontinue.

Q. Of course, these statements that are published are always subject to the question of inventory and at what price the inventory is taken in at. A large profit can very often be tucked away by underevaluation of inventory.

A. I may just say that our inventory ever since I have had anything to do with the business has been even-tent. There would be a change, though, for instance, if the inventory was very large one year and very small the next any reduction in the inventory might come out in the profits of the next year, but the custom is to take the inventory on the same basis year by year.

Q. But you did not always do it?

A. Excepting this year we have bonuses of the workmen we mention, as soon as the budget was

brought down we made this reduction because we thought it was the same thing to do.

If you have a profit in inventory one year it will come out in the next year if you sell the goods at higher than you take it in at, so that nobody suffers in that case."

No you say you told me you had made an exception of last year from the usual basis, but that was not the fact. What you did last year was to do the same thing you did the year before. A. I think it is quite clear. Our system has been constant through the years and it shows that this year we had taken a special discount because of the reduction in the duty. That was clearly revealed. There was absolutely no covering whatever there.

Q. Clearly revealed to whom? Not a word of it was revealed to the Income Tax Department until this commission had discovered it. A. I beg your pardon. A representative of the Income Tax Department went over these statements every year with the auditor.

Q. Over the inventory statements?

A. Surely. If he did not he ought to have done.

Q. You are swearing to things. How can you swear he went over them? A. That is what he was there to do, to check them.

Q. So your attitude is, if the representatives of the Income Tax Department do not catch you on these things it is quite right?

A. It is not a question of catching. It is the same system that has been followed for twenty years.

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If you have a profit in inventory one year it will come out in the next year if you sell the goods at higher than you take it in at, so that nobody suffers in that case."

Q. You say you told me you had made an exception of last year from the usual basis, but that was not the fact. What you did last year was to do the same thing you did the year before. A. I think it is quite clear. Our system has been constant through the years and it shows that this year we had taken a special discount because of the reduction in the duty. That was clearly revealed. There was absolutely no covering up over there.

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Q. [illegible] Surely. If he did not he ought to have done.

Q. You are swearing to things. How can you swear he went over them? A. That is what he was there to do, to check them.

Q. So your attitude is, if the representative of the Income Tax Department [illegible] you on these things it is quite right?

A. It is not a question of nothing. It is the system that has been followed for twenty years.

Instead of taking the goods in at cost we take them in at selling price, and then make an arbitrary discount to take care of fluctuations of the market.

BY THE COMMISSIONER: Q. How much of a discount? A. We take them in at the selling price, with a discount of 60 per cent, bringing them down to what we considered might be necessary in case the market, as it often has done --

Q. And you told the taxing authorities that you were taking a discount of 60 per cent?

A. I say that I did not have any contact personally with the income tax officials, but the auditor did, and the auditor had these things before him.

Q. The auditor says that he just accepted the statements that somebody in the company gave him, and that he does not go behind that. A. The auditor is the man who prepared these statements, and while this form he has signed is the usual form that auditors sign, as a matter of fact Mr. Baker knew the whole question of inventory. It was as clear to him as it was to me. He knew all about it. That is no doubt why he put on his form "subject to the usual discounts," which had been in vogue for years and years.

BY MR. McRUER: Q. May I suggest to you that if my computation is correct you owe the taxing authorities somewhere between $750,000 and $1,000,000.

THE COMMISSIONER: What is the present attitude of that department in view of the evidence of last week? We are going to get that, are we, Mr. McRuer?

MR. McRUER: I am going to get that. Their attitude will be made known, no doubt, in due course,

Instead of taking the goods in at cost we take them in at selling price, and then make an arbitrary discount to take care of fluctuations of the market.

BY THE COMMISSIONER: Q. How much of a discount? A. We take them in at the selling price, with a discount of 60 per cent, bringing them down to what we considered might be necessary in case the market, as it often has done --

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Q. The auditor says that he just accepted the statements that somebody in the company gave him, and that he does not go behind that. A. The auditor is the man who prepared these statements, and will only know he has [illegible] that auditors sign, as a matter of fact Mr. Baker knew the whole question of inventory. It was as clear to him as it was to me. He knew all about it. That is no doubt why he put on his form "subject to the usual [illegible]," which had been in vogue for years and years.

BY MR. MONDER: Q. May I suggest to you that if my computation is correct you owe the taxing authorities somewhere between $750,000 and $1,000,000.

THE COMMISSIONER: What is the present attitude of your department in view of the evidence of last week? We are going to get that, are we, Mr. Monder?

MR. MONDER: I am trying to get that. That [illegible] matter will be work [illegible], so that, in the meantime,

when they have their pencils working on it.

BY MR. McRUER: Q. I want to refer you, Dr. Dawson, to the statement that was signed and sent to the government in the year 1923. That year this inventory reserve was increased by about $470,000, and stood at the end of the year at $1,368,000. According to your statement as filed here, the figures are as follows: Trading and/or Operating -

Gross Sales	$10,233,942.28
Inventory at end of period	1,458,917.90
Cost of goods sold as follows:-	
Inventory at beginning of period	950,380.16
Merchandise bought for sale (including freight and duty)	4,754,401.94
Raw material and supplies bought (including freight and duty)	
Manufacturing wages	3,117,686.00
Other manufacturing costs (enumerated)	935,429.24
Gross trading or operating profit	$1,934,962.84

Certificates of Inventories:

I, Alexander Bruce, the Secretary of the Company making this return, do hereby certify that the inventories included in the above schedule were taken on a cost or market basis and do not contain any allowance for shrinkage or decline in value other than as follows:

and the space left for "as follows" is left completely blank. And that is the certificate that was signed at that time, 1923, while as a matter of fact the reserve ta that time was $1,368,124, having been increased by $570,000 over the previous year.

when they have their penalla working on it.

BY MR. WOLDER: Q. I want to refer you, Mr. Dawson, to the statement that was signed and sent to the government in the year 1931. That statement is- [illegible] increased by some $470,000 and stood at the end of the year at $1,368,000.

Assuming for your information as filed here, the figures are as follows: Trading and/or operating -

Gross Sales	
Inventory at end of period	1,455,917.50
Cost of goods sold as follows:-	
Inventory at beginning of period	950,880.16
Merchandise bought for sale (including freight and duty)	4,734,401.14
Raw material and supplies bought (including freight and duty)	
Manufacturing costs	1,117,000.00
Other manufacturing costs (enumerated)	955,429.24
Gross trading or operating profit	$1,954,563.84

Certificates of Inventories:

I, Alexander Bruce, the Secretary of the Company making this return, do hereby certify that the inventories included in the [illegible] basis and do not contain any allowance for [illegible] or [illegible] [illegible] [illegible] [illegible]

[illegible] the space left for "as follows" is left com- [illegible] blank. And that by the Specifications Act [illegible] signed at that time, 1928, while as a matter of [illegible] the inventory at that time was $1,368,124, having increased by $470,000 over the previous year.

Now how do you say that that is a disclosure to the government?

Mr. BRUNEAU: I would point out that these aremerely carbon copies taken from our file. Whether or not they correspond with the originals on file with the department we do not know. We still have to examine them.

THE COMMISSIONER: The department can tell us that.

THE WITNESS: Unfortunately Mr. Bruce has been dead for many years, and I cannot speak for him, but he signed, and he must have known the usual procedure had been followed and that the same discounts had been made on inventory that had been the custom in previous years.

BY MR. McRUER: Q. This statement on the face of it is purely false. There is no question about that, is there ? A. I am not going to make any statement to that effect. I do not know what Mr. Bruce had in his mind or what he signed at the time. It does not say here. It is not even signed here on this copy, which I presume is a copy. It has not even got his signature.

Q. You do not put his signature on your copy. I say if that statement is signed as it is on the records of your company, it is plainly false. You agree with that, don't you? A. No, I do not, because if the inventory was taken as was customary and that was shown on the inventory, the government must have seen it or ought to have seen it.

THE COMMISSIONER: Read it again. I thought it said the inventory showed the cost.

Are how do you say that that is a disclosure to the government?

Mr. [illegible]: I mean: only not been [illegible] extreme [illegible] supplies [illegible] from [illegible] file.

Whether or not they correspond with the originals in file with the government [illegible] still have to examine them.

THE COMMISSIONER: The department can tell us that.

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BY MR. MCRUER: Q. This statement on the face of it is purely false. There is no question about that, is there? A. I am not going to make any statement to that effect. I do not know what Mr. Bruce had in his mind or what he signed at the time. [illegible] here. It is not even signed here on this copy, which I presume is a copy. It has not even got his signature.

Q. You do not put his signature on your copy. I say if that [illegible] is signed [illegible] on the [illegible] of your [illegible]. It is plainly false. You agree with that, don't you? A. No, I do not. [illegible] if the inventory was taken as was customary and that was shown on the inventory, the government must have seen it or ought to have seen it.

[illegible] Well [illegible] regular. I assume it was [illegible] intently [illegible] [illegible].

MR. McRUER: It reads as follows:

"I Alexander Bruce the Secretary of the Company making this return do hereby certify that the inventories included in the above schedule were taken on a cost or market "

BY THE COMMISSIONER: Q. Cost or market? You have made a discount of 60 per cent.

MR. McRUER: The certificate reads:

"I . . . . do hereby certify that the inventories . . . were taken on a cost or market basis and do not contain any allowance for shrinkage or decline in value other than as follows,"

And then follows a complete blank. And the other certificate reads:

"I, Alexander Bruce, Secretary of the above named Company do hereby certify that the foregoing return, the supplementary statements and the additional schedules attached, if any, contain a true and complete statement of gross income and deductions claimed by the above named Company for the year 1922."

That is the return for the year ending March 31, 1923.

Q. Now I just want you to tell me, Dr. Dawson, why you say that that statement is true, or do you say it is true? A. No one can tell unless they examine in detail the statements of that year whether the goods were taken at higher than cost. The system was to take the inventory at the selling price with a discount. How near that was to cost I do not know. I do not think any of us knows.

Mr. McKULLOUGH: It reads as follows:

"I Alexander Bruce the Secretary of the Company making this return do hereby certify that the inventories included in the above schedule were taken on a cost or market basis."

BY THE COMMISSIONER: Q. Cost or market? You have made a discount of 60 per cent.

Mr. McKULLOUGH: The certificate reads:

"I . . . . do hereby certify that the inventories . . . were taken on a cost or market basis and do not contain any allowance for shrinkage or decline in value other than as follows:

And then follows a complete blank. And the other certificate reads:

"I, Alexander Bruce, Secretary of the above named Company do hereby certify that the foregoing return, the supplementary statements and the additional schedules attached, if any, contain a true and complete statement of gross income and deductions claimed by the above named Company for the year 1932."

That is the return for the year ending March 31, 1932.

Q. Now I just want you to tell me, Mr. Dawson, why was that statement in true, or is it say it is true? A. No one can tell unless they examine in detail the statements of that year whether the proper rules have been followed. The system was to take the inventory at the selling price with a discount. How near that was to cost I do not know. I do not think any of us knows.

Q. But your inventory reserve was $1,368,000. If you had taken it at market or cost it could not be there. A. It does not say that that inventory, that the cost was all made out of profit, or that the reserve as shown there was not the difference between cost and the market.

Q. The point I am getting at is this. There is the statement of your income tax return which is produced from your files, which states that the inventory at the end of the period was $1,458,917.90, and also the statement that this is taken at cost or market, and there was actually a reserve of $1,300,000. Now is the statement in your income tax return true or not? That is all I want to know. A. I do not know. You will have to --

THE COMMISSIONER: There is no use pursuing that particular line, I think. The facts speak for themselves.

THE WITNESS: I do not know who is going to say what the cost was that year.

BY MR. McRUER: Q. If this were not true, are you putting it on Mr. Bruce, who is dead ? A. No, I do not know what files he had before him or what he signed.

Q. But you would know exactly what was in the income tax return before it went to the government. A. I would like to know what the income tax statement said that year.

Q. Is it not a fact that you would know exactly what was in the income tax return before it went to the government? A. I may not know

Q. But your inventory reserve was $1,368,000. If you had taken it at market or cost it could not be there. A. It does not say that that inventory, that the reserve was not part of profit, or that the reserve as shown there was not the difference between cost and the market.

Q. The point I am getting at is this. There is the statement of your income tax return which is produced from your files, which states that the inventory at the end of the period was $1,458,317.90, and also the statement that this is taken at cost or market, and there was actually a reserve of $1,300,000. Now is the statement in your income tax return true or not? That is all I want to know. A. I do not know. You will have to --

THE COMMISSIONER: There is no use pursuing that particular line, I think. The facts speak for themselves.

THE WITNESS: I do not know who is going to say what the cost was that year.

BY MR. MERULLA: Q. If this were not true, are you putting it on Mr. Bruce, who is dead? A. No, I do not know what files he had before him or what he signed.

Q. But you would know exactly what was in the income tax return before it went to the government. A. I would like to know what the income tax statement said that year.

Q. Is it not a fact that you would know exactly what was in the income tax return before it went to the government? A. I may not know

now; I may have known at the time.

Q. Would it not be before the directors before Mr. Bruce would sign it ? A. It ought to have been, but speaking from memory I cannot tell you if it was.

Q. We might assume at any rate, for the purpose of this inquiry, that it would be, that Mr. Bruce would not sign the income tax returns until it had been passed by the directors.

A. We all knew, Mr. Bruce knew and I knew, what everybody in connection with the Company knew, that our inventory was taken the same as it had been from year to year, at the selling prices less a discount. That was the system. Now, who can say how near that was to cost? None of us here is qualified to say that. That was the basis.

(Page 12100 follows)

now; I may have known at the time.

Q. Would it not be before the directors before Mr. Bruce would sign it? A. It ought to have been, but according from memory I cannot tell you if it was.

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(Page 12100 follows)

THE COMMISSIONER: You could do as you liked about that. The only question - did the taxing authorities know. According to that certificate they were told inventory was taken on cost or market basis? A. I presume, not having met these taxing officials ---

Q. Neither have I. That is what Mr. Bruce's statement told him that year. A. I take it when the Income Tax representative examined the books that he discovered, as possibly his duty would be to examine the inventory, and the inventory would show that right on the face of it.

MR. McRUER: Q. Now, if that had been done there would have been a corrected statement put into the Government, would there not?

THE COMMISSIONER: Yes.

THE WITNESS: Well, it was up to the Government to say that.

MR. McRUER: I want to follow up with Mr. Brown to get some more of these facts.

THE COMMISSIONER: Mr. Bruneau, do you wish to examine Mr. Dawson?

MR. BRUNEAU: No.

--

CHARLES B. BROWN, Recalled,

EXAMINED BY

MR. McRUER: I have referred to several of these

authorities know. According to that certificate they were told inventory was taken on cost or market basis? A. I presume, not having met these taxing officials ---

Q. Neither have I. That is what Mr. Bruce's statement told him that year. A. I take it when the Income Tax representative examined the books that he discovered, as possibly his duty would be to examine the inventory, and the inventory would show that right on the face of it.

MR. MORDEN: Q. Now, if that had been done there would have been a corrected statement put into the Government, would there not?

THE COMMISSIONER: Yes.

THE WITNESS: Well, it was up to the Government to say that.

MR. MORDEN: I want to follow up with Mr. Brown to get some more of these facts.

THE COMMISSIONER: Mr. Brunson, do you wish to examine Mr. Dawson?

MR. BRUNSON: No.

returns, my lord. I think they should be filed.

MR. BRUNEAU: We are discussing this with the Department and we certainly need our copies because we have received a notice, and I would like to have them available.

THE COMMISSIONER: Are you referring to the one you just read into the ---

MR. McRUER: I have read two or three of them, my lord.

THE COMMISSIONER: Is there any necessity why we should hold them now?

MR. McRUER: Oh, I think those that I have referred to we can have copies made of them and we will fix that up. I will entrust them to Mr. Brown in the meantime. They are an important matter. Probably we could arrange with Mr. Brown.

MR. BROWN: I will get photostat copies made of these.

MR. McRUER: Q. You, of course, were not the auditor of this company until very recently?
A. No, I have just been called in to make up these forms for the Government.

Q. When were you called in? A. Oh, about the first week in July of this year.

Q. So that asfar as you are personally concerned you are in no way responsible for the book prior to that time? A. No.

Q. And your duty has just been in a professional

Saturday, 20 June. I think they should be filed.

MR. MORAN: We are already fully aware of the fact that the department and we can only need our copies because we have received a notice, and I would like to have them available.

THE COMMISSIONER: Are you referring to the one you just read into the ---

MR. MORAN: I have read two or three of them, my lord.

THE COMMISSIONER: Is there any reason why we should hold them now?

MR. MORAN: Oh, I think those that I have referred to we can have copies made of them and we will fix that up. I will entrust them to Mr. Brown in the meantime. They are important matter.

MR. BROWN: I will get photostat copies made of them.

MR. MORAN: Q. You, of course, were not the auditor of this company until very recently?

A. No, I have just been called in to make up these forms for the Government.

Q. When were you called in? A. Oh, about the first week in July of this year.

Q. So that safe to you are personally concerned you are in no way responsible for the full time?

capacity to assist as an accountant in making up the statements from the book? A. Yes.

Q. And I believe that you have worked with Mr. Dawson at different times on it? A. Yes.

Q. Now, Mr. Brown, probably you could tell us the complete history of this Inventory Reserve and how it was set up? A. Yes. When you speak to Mr. Dawson about figures shown here, I am bringing this point out--

Q. Figures shown where? A. That I have, some figures went into the evidence. I want to make this explanation, These figures have never appeared anywhere before before I made them, so that when you questioned Mr. Dawson for certain amounts for specific years, Mr. Dawson has never seen those figures.

Q. Then it would be correct to say that those figures that are contained in exhibit 796 that were put in in Montreal were never in existence until you made them up? A. That is something I cannot say. I had to work them out.

Q. So that any auditor going and looking at thee books of accounts would not find these figures in them? A. Not in the books of account but on the inventory record.

Q. The figures themselves were not on the inventory record. You had to go to work to find out how they had arrived at the inventory that they had shown in their Balance Sheet? A. I did, because I did not ask them for it, they may have had it.

statements from the book? A. Yes.

Q. And I believe that you have worked with Mr. Dawson at different times on it? A. Yes.

Q. Now, Mr. Brown, probably you could tell us the complete history of this Inventory Reserve and how it was set up? A. Yes. When you speak to Mr. Dawson about figures shown here, I am bringing this point out.

Q. Figures shown where? A. That I have, some figures went into the evidence. I want to make this explanation. These figures have never appeared anywhere before I made them, so that when you questioned Mr. Dawson for certain amounts for specific years, Mr. Dawson has never seen those figures.

Q. Then it would be correct to say that those figures that are contained in exhibit 796 that were prepared in in Montreal were never in existence until you made them up? A. That is something I cannot say. I had to work them out.

Q. So that any auditor going and looking at these books or vouchers would not find those figures in them? A. Not in the books of account nor in the inventory records.

Q. The figures themselves were not on the inventory records. You had to go to work to find out how they had arrived at the inventory that they had shown in their balance sheet? A. Yes, because the

Q. I should have thought you would not have spent several days working it out if you thought they had them? A. I had to work them out for this Form 13-B, and I want to correct an impression for my own benefit. You made statement earlier that this information had only come after being dragged out by Mr. Howson. They had the statement weeks before this was submitted. I want that to be clear.

Q. Yes, I strongly suspected what the evidence was going to be but when the return was put in of Reserves it was not s hown in the Reserves? A. Because the form did not call for it.

Q. I am not blaming you for it, at any rate. I must say you have cooperated yourself personally with Mr. Howson and I am not making any criticism of you at all? A. And the Company has too. I want it understood I have had every assistance in making these returns to the Government.

Q. Now, just let us start at the first and see how it was built up year by year and the method that was followed in building it up. You might tell me just how you worked on the first year. I believe there is one year that is not shown on our Statement yet and that is 1915, but it was small, about $57,000? A. Yes, I ignored that. Really had not started that then.

Q. Then start with 1916 when it was first shown as $379,151.83 and you tell us how the Company or your

Q. I should have thought you would not have spent several days working it out if you thought they had them? A. I had to work them out for this Form 13-B, and I want to correct an impression for my own benefit. You made statement earlier that this information had only come after being drawed out by Mr. Howson. They had the statement weeks before this was submitted. I want that to be clear.

Q. Yes. I accept everything and the witness was going to let us know the reason the yet is it Reservoir it was not a town in the Reservoir? A. Because the form did not call for it.

Q. I am not blaming you for it, at any rate. I must say you have cooperated yourself personally with Mr. Howson and I am not making any criticism of you at all? A. And the Company has too. I want it understood I have had every assistance in making these returns to the Government.

Q. Now, just let us start at the first and see how it has built up year by year and the method that was followed in building it up. You might tell me just how you worked on the first year. I believe there is one year that is not shown on our Statement yet and that is 1-1910, was it not? About 97,000? A. Yes, I believe that. Really had not started line 1910.

Q. Just start with 1910 when it was first shown and you tell us how the Company at that time

arrived at that figure? A. The inventory book of records, which is distinct from the book of the company, which is non-permanent record of the company.

Q. A non-permanent record of the company ?

A. I used word 'non-permanent' because very often inventory sheets are not often kept as your general book of accounts are kept. A number of cases inventory records are not kept and I term them, they are not permanent records ~~of the~~ and the division of the inventory were three classes, starting with your raw material - that is, your cotton and wool and yarns and then your goods in process and then the finished goods and the basis of the raw material was taken with the number of bales and weights and at certain price of the cottons. Now, on the inventory form it shows that the basis for inventory basis that the Company took varies running from 15 cents a pound for cotton down as low as 5 cents a pound.

Q. Can you tell me what the price of raw cotton was at that time? A. Well, it changed all the time.

Q. I know, on the basis of which ---

A. I can pick out one or two years. You mean on the first year?

Q. Yes? A. The first year I have for my average price, I call that "Average".

Q. That is the price you worked on to work out what the reserve was for that year? A. 12.30 and inventory was taken at 7.80. Then we come along

company, which is non-permanent record of the company.

Q. A non-permanent record of the company ?

A. I used the non-permanent records very often. Inventory sheets are not often kept as your general book of accounts are kept. A number of same inventory records are not kept and I term them, they are not permanent records at-hand and the division of the inventory were three classes, starting with your raw material - that is, your cotton and wool and yarns and then your goods in process and then the finished goods and the basis of the raw material was taken with the number of bales and weights and at certain price of the cotton. Now, on the inventory form it shows that the basis for the-[illegible] that the [illegible] took varies from from 15 cents a pound for cotton down as low as 5 cents a pound.

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Q. I know, on the basis of which ---

A. I can pick out one or two years. You mean on the first year?

Q. Yes? A. The first year I have for my average price, I call that "average".

Q. That is [illegible] you worked on to work out an [illegible] ?

to the goods in process. They were taken, put through at cost and then discounted 25%, so that the net figure was extended out, and unfinished goods was taken at the list, what they call the list price, less 25% discount.

Q. Well then, and after working them out. They had worked them out on that basis to get the figure that was put in the Balance Sheet? A. Yes, the net figure was the Balance Sheet.

Q. Then you worked them out on the basis of the average cost of raw cotton, was that it? A. Yes, the average cost at the date the inventory was taken- that is, at the closing of the fiscal year.

Q. And for the goods in process, what did you take as your basis? A. I simply took discount out entirely. It is rather hard to arrive at the goods in process, it is peculiar, I just allowed discount.

Q. I presume in making up your figures you tried to make up the figures on the basis of what you thought they ought to be? A. Yes.

Q. Now then, that is one year. Now, it has been suggested that at times - I don't know whether I am right or not - that the discount that was taken amounted to as high as 70%? A. There is one correction I want to make. In connection with the finished goods, after throwing back the whole discount that they showed I set up 15% from list.

Q. Oh, I see. You threw back the whole and then

10 the goods in process. They were taken, not through at cost and then discounted 25%, so that the net figure was extended out, and unfinished goods was taken at the list, what they call the list price, less 25% discount.

Q. Well then, and after working them out. They have worked them out on that basis to get the figure that was put in the Balance Sheet? A. Yes, the net figure was the Balance Sheet.

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30 Q. And for the goods in process, what did you take as your basis? A. I simply took discount out entirely. It is rather hard to arrive at the goods in process, it is peculiar, I just allowed discount.

40 Q. I presume in making up your figures you intend to make up the figures on the basis of what you thought they ought to be? A. Yes.

50 Q. Now then, that is one year. Now, it has been suggested that at times - I don't know whether I am right or not - that the discount that was taken amounted to as high as 70%? A. There is one correction I want to make. In connection with the finished goods, after throwing back the whole discount that the auditors put up like that.

Q. I see. You have made the work and then

you set up 15% as what you thought would be a fair discount? A. Yes, sir.

Q. And I think 15% was what was claimed in one of the returns to the Government? A. May have been years ago, I cannot tell you.

Q. At any rate, your figures are - cost figures less 15%, is that right? A. No, that is finished goods their list less 15%.

THE COMMISSIONER: Q. That is finished goods? A. Finished goods only, and that only applies to the finished goods.

MR. McRUER: Q. Now, in regard to cotton how did you arrive at your figures throughout these years?

THE COMMISSIONER: You mean raw cotton?

MR. McRUER: Yes.

THE WITNESS: The Company has a policy of average- for instance, if the average price of cotton is say 12.50 and cotton comes in, a new purchase comes in at a lower price after making average price of cotton, then they take it into the average cost. That price runs fairly evenly through the year.

Q. That is the way the company takes it into their cost? A. Yes.

Q. At that average cost? A. Yes.

Q. Is that the basis on which you took it in? A. Yes.

Q. Now, I would like you to compare some of those years and show the difference in the methods that had been used in computing the inventory and the method

ROBT. BRYDIE
CHARTERED ACCOUNTANT
TORONTO

you set up 1b% on what you thought would be a fair
allowance? A. Yes, sir.

Q. And I think 1b% was what was claimed in one of t
statements of the Government?

A. Yes, I cannot tell you.

Q. At any rate, your figures are larger than
1b%, is that right? A. No, that is finished goods
their list less 1b%.

THE CHAIRMAN: Q. That is finished goods?

A. Finished goods only, and that only applies to the
finished goods.

MR. MORDEN: Q. Now, in regard to cotton how did you
arrive at your figures?

A. Well, first, the cost per unit?

Q. Yes.

A. The company has a policy of average-
for instance, if the average price of cotton is say
1s.6d and cotton comes in, a new purchase comes in at
a lower price after making average price of cotton,
then they take it into the average cost. That price
then fluctuates through the year.

Q. That is the way the company takes it into their
costs? A. Yes.

Q. At that average cost? A. Yes.

Q. Is that the basis on which you took it in?

A. Yes.

you used. Now, I gave an illustration that they had discounted it as much as 70%? A. You probably picked the worst one.

Q. Quite right. I am going to take the worst one and I am going to take the best one, lowest and the highest. We do not want to go all over details. I think we have probably had a schedule made up by Mr. Sheppard? A. I don't want to give this to you.

Q. No, I don't want to take it from you. If I may have a look at it. A. 12.30, 7.80, that is 1916.

Q. In 1916 the price you took cotton at was 12.30, their price was 7.80. Now, just reading down the two columns, the first being the price you allowed and the second being the price that had been taken by the Company. You follow me and see if I am correct: In 1917, 16.45 to 9.25. In 1918, 28.45 to 7.90.

THE COMMISSIONER: What are you dealing with in 1918?

MR. McRUER: That is the price of raw cotton that Mr. Brown allowed as the price. The first figure is the first figure that Mr. Brown allows, and the second figure is the price that the Company took it into the inventory at.

THE COMMISSIONER: Q. Do you also know on what basis it was reported under the Business Profits War Tax? A. I cannot tell you that.

MR. McRUER: That would be under the lower price.

THE COMMISSIONER: You have read it?

you said. Now, I have an illustration here they had illustrated it as much as YOU? A. You probably picked the worst one.

Q. Quite right. I am going to take the worst one and I am going to take the best one, lowest and the highest. We do not want to go all over details. I think we have probably had a schedule made up by Mr. Sheppard? A. I don't want to give this to you.

. No, I don't want to take it from you. If I may have a look at it. A. 15.30, 7.80, that is 1918.

Q. In 1918 the price you took cotton at was 15.30, under price was 7.80. Now, just reading down the two columns, the first being the price you allowed and the second being the price that had been taken by the Company. You follow me and see if I am correct: In 1917, 16.45 to 9.25. In 1918, 35.45 to 7.30.

THE COMMISSIONER: What are you dealing with in 1918?

MR. McKEEN: That is the price of raw cotton that Mr. Brown allowed as the price. The first figure is the first figure that Mr. Brown allows, and the second figure is the price that the Company took it in the inventory at.

THE COMMISSIONER: Q. Do you also know on what basis it was reported under the Business profits War Tax?

A. I cannot tell you that.

MR. McKEEN: That would be under the lower price.

THE WITNESS: Yes here that is

MR. McRUER: Yes.

THE WITNESS: There is one thing when I mention average closing, not average, because they do not use the same grade of cotton at the same mill and you have to sometimes strike an arbitrary price.

THE COMMISSIONER: It says here - raw cotton, supplies at cost 20 cents.

MR. McRUER: That is 1918?

THE COMMISSIONER: Yes.

MR. McRUER: The average cost of raw cotton, as Mr. Brown computes it, was 28.45 and they took it at 7.90.

Q. Now, what I just want to ask you: When you were computing your figures as to the average cost of cotton you were trying to arrive at the figure, I take it, that as an accountant you thought was the proper one to put in there? A. Yes. I had to get this information for the completion of this form 13-B, that I referred to.

Q. All right, it comes to 1919. Your figure is 30.50, the Company's figure is 8.55. 1920, your figure is 40.14, the Company's figure is 8.

A. Well, just in connection with that year I would like - you have mentioned in connection with the year 1920 where the average closing was 40.14 and taken at 8., the effect of taking in the high shows that the Company the year following took a loss of $1,600,000.

Q. Which is shown in your statement?

Mr. Robert: Yes.

THE LIMPS: There is one thing when I mention average closing, not average, because they do not use the same grade of cotton at the same mill and you have no averages equal in mill-to-mill yields.

THE COMMISSIONER: It says here - raw cotton, supplies at cost 20 cents.

MR. MORDEN: That is 1919?

Mr. Robert: Yes.

Mr. MORDEN: The average cost of raw cotton, as Mr. Brown computes it, was 26.49 and they took it at 1.00.

Q. Now, what I just want to ask you: When you were computing your figures as to the average cost of cotton you were trying to arrive at the figure, I take it, that as an accountant you thought was the proper one to put in there? A. Yes. I had to get an information for the completion of this form 15-3, the [illegible]

. All right, it comes to 1919. Your figure is 20 [illegible] the Company's figure is 8.35. 1920, your figure is 40.14, the Company's figure is 8.

A. Well, just in connection with that year I could [illegible] like - you have mentioned in connection with the year 1920 [illegible] average closing was 40.14 [illegible] 8., the effect of [illegible] in the [illegible] [illegible] the year following [illegible]

A. Yes, sir, but does not show there. You are mentioning statements where the company had issued Balance sheets to shareholders concealing profits, but here is where they concealed losses they had taken.

Q. I don't know but what it is equally reprehensible to conceal losses as profits, if you are buying shares in the company, but your comment is quite right. 1921? A. 13 and 6.

Q. 13 was the price you put, 6 the Company? A. Yes, sir.

Q. 1922? A. 19.20 and 12.

Q. 1923? A. 28.60 and 15.

Q. 1924? A. 28. and 15.

Q. 1925? A. 25.19 and 10.

Q. 1926? A. 19.25 and 7.

Q. 1927? A. 14.77 and 5.

Q. 1928? A. 24.48 and 5.

Q. 1929? A. 20.18 and 10.

Q. 1930? A. ~~20~~ 18.52 and 7.

Q. 1931? A. 12.49 and 7.

Q. 1932? A. 9.44 and 5.

Q. 1933? A. 9.44 and 5.

Q. 1934? A. 12.20 and 5.

Q. 1935? A. 13.64 and 5.

Q. 1936? A. 12.66 and 5.

Q. So that from 1930 on they apparently valued for the purpose of their balance sheet their raw cotton at 5 cents a pound all the way through? A. Yes.

A. Yes, sir, we have had some losses. You are considering statements where the company had issued balance sheets to shareholders showing profits, but have in where they concealed losses they had taken.

Q. I don't know but what it is equally reprehensible to conceal losses as profits, if you are buying shares in the company, but your comment is quite right. 1932 A. 15 and 6.

Q. 15 was the price you put, 6 the company? A. Yes sir.

Q. 1928? A. 19.80 and 14.

Q. 1929? A. 24.40 and 14

Q. 1930? A. 26. and 15.

Q. 1931? A. 25.19 and 10.

Q. 1932? A. 19.25 and 7.

Q. 1933? A. 14.77 and 5.

Q. 1934? A. 24.48 and 5.

Q. 1935? A. 20.22 and 12.

Q. 1936? A. 26 18.32 and 7.

Q. 1937? A. 14.44 and 7.

Q. 1938? A. 9.44 and 5.

Q. 1939? A. 9.44 and 5.

Q. 1940? A. 12.80 and 5.

Q. 1941? A. 13.04 and 5.

Q. 1942? A. 13.66 and 5.

Q. Is that from 1930 on they apparently valued the assets of their balance sheet fairly conservatively?

A. [illegible]

Q. Notwithstandin that is sold, according to your averages, from a low of 9.44 to a high of 13.64?

A. Yes.

Q. Now then, in dealing with the percentages of discount on goods in process? A. Suppose I make a copy of this.

Q. Yes, if we can have a copy and just file it, but I just want to run over them now. In 1915 there was a 20% discount. Well, you have disregarded that. 1916? A. 25% in process and 25 finished. All the finished are subject to throw-backs.

Q. All right, the first column deals with goods in process and the second column deals with finished goods?

A. Yes, sir.

Q. And the following were discounts taken by the Company in making up their balance sheet -- that is correct

A. Yes.

Q. 1916, 25% and 25%. 1917, 40% and 40%. 1918, 40% and 40%. 1919, 40% and 40%. 1920, 40% and 40%. 1921, 40% and 40%. 1922, 40% and 40%. 1923, 40% and 40%. 1924, 40% and 40%. 1925, 40% and 50%. 1926, 40% and 50%. 1927, 70% and 70%. 1928, 70% and 55%. 1929, 70% and 55%. 1930, 70% and 65% 1931, 60% and 60%. 1932, 60% and 60%. 1933, 60% and 60%. 1934, 60% and 60%. 1935, 60% and 60%. 1936, 65% and 65%. And the adjustment that you have made is to disallow the deductions for goods in process and entirely and to disallow the deduction for finished

Q. Notwithstanding that is so, according to your averages, from a low of 9.44 to a high of 12.647

A. Yes.

Q. Now then, in dealing with the percentages of discount on goods in process? A. Suppose I make a copy of this.

Q. Yes, if we can have a copy and just file it, but I just want to run over them now. In 1928 there was a 20% discount. Well, you have discounted that. 1929? A. 25% in process and 25 finished.

All the finished are subject to throw-backs.

Q. All right, the first column deals with goods in process and the second column deals with finished goods.

A. Yes, sir.

Q. And the following were discounts taken by the company in making up their balance sheet -- that is correct.

A. Yes.

Q. 1916, 35% and 10%. 1917, 40% and 40%. 1918, 40% and 40%. 1919, 40% and 40%. 1920, 40% and 40%. 1921, 40% and 40%. 1922, 40% and 40%. 1923, 40% and 40%. 1924, 40% and 40%. 1925, 40% and 50%. 1926, 40% and 50%. 1927, 70% and 70%. 1928, 70% and 55%. 1929, 70% and 55%. 1930, 70% and 55%. 1931, 60% and 60%. 1932, 50% and 50%. 1933, 50% and 45%. 1934, 50% and 45%. 1935, 50% and 45%. 1936, 50% and 35%. Are the adjustments that you have made to disallow the deductions for goods in process --

goods and then give a uniform deduction of 15%? A. Yes, correct.

Q. Take this year 1927, which is the big year, the deduction there from goods in process and finished goods made by the Company in arriving at the Balance Sheet was 70% in each case? A. 1927?

Q. Yes? A. Yes.

Q. And the deduction for raw cotton - where the raw cotton was put in at 5 cents a pound where you make the average cost 14.77? A. Yes. There is just one thing when you are on this: in going through the figures, Mr. Sheppard, this exhibit will be changed. There was a switch between two years.

Q. I quite understand that. In making up Exhibit 796, and we might as well put it on the record, there will have to be a correction made on it.

THE COMMISSIONER: What is the Exhibit you refer to?

MR. McRUER: Exhibit 796.

THE COMMISSIONER: That is the one that Mr. Brown put in in Montreal?

MR. McRUER: Yes.

THE WITNESS: We will make a new one for you.

MR. McRUER: Mr. Sheppard found that Mr. Brown had made an error in calculating one year, wich was against the Company and an error in calculating other year, which was the other way, but the slight result was against the company.

goods and then give a uniform deduction of 1327 A. Yes.

Q. Take this year 1327, which is the old year, the deduction there from goods in process and finished goods made by the Company in arriving at the balance sheet was 70% in each case? A. 1327?

Q. Yes.

A. And the deduction for raw cotton - where the raw cotton was put in at 5 cents a pound where you were the average cost 14.777? A. Yes. There is just one thing when you are on this; in going through the figures, Mr. Shepperd, this exhibit will be changed.

Q. I quite understand that. In making up exhibit 796, and we might as well put it on the record, there will have to be a correction made on it.

THE COMMISSIONER: What is the exhibit you refer to?

MR. MORDEN: Exhibit 796.

THE COMMISSIONER: What is the one that Mr. Brown put in in Montreal?

MR. MORDEN: Yes.

THE WITNESS: We will make a new one for you.

MR. MORDEN: Mr. Shepperd found that Mr. Brown had made an error in calculating one year, which was against the Company and an error in calculating other year, which was the other way, but the slight result was

THE WITNESS: It will help us on Income Tax.

Q. But to go to the year 1927, the inventory return of that year was increased by $367,584.17. Can you give me the amount that it was increased by on the corrected figure? A. I think $155,309.31.

MR. McRUER: Mr. Sheppard says there is still another change to be made in that but, at any rate, it is correct to say this, Mr. Brown: That had the balance sheet been made up on the basis on which you have made your calculations for inventory the profit for the year would have shown that much more? A. On this basis?

Q. On that basis, yes. And the inventory as shown on the Balance Sheet would have shown at the increased figure? A. Yes.

Q. Now, you might tell me the corrected amount of the claim that has been made by the Income Tax Department. You were there, I think, and spent a day trying to work it out?

THE COMMISSIONER: You mean since last week?

MR. McRUER: Since you were in the witness box last Monday you have been working on it? A. Yes.

Q. And have you not received a Formal Assessment? A. A Formal Assessment has been made.

Q. Will you tell us how the Formal Assessment is made up? A. Amount of tax $221,487.60, and interest $161,814.74.

Q. $161,814.00 interest? A. Yes.

Q. Are there any penalties assessed? A. I don't

ROBT. BRYUNS
Consulting Engineer
Washington
TWENTY - - -

know. That is just the way it is made out by the Government.

Q. So that the total claim by the Government is $382,000 approximately? A. Yes.

Q. That is for the period from 1920 to 1921? A. 1920.

Q. 1936? A. Yes.

Q. And, of course, this is still tentative and may be adjusted either way if errors found? A. It will be because there are some things we found here.

Q. And it does not deal with Business Profits Tax? A. No, I do not think so.

THE COMMISSIONER: That is the tax from 1916 to 1920.

MR. McRUER: That is 1916, 1917, 1918, 1919, 1920, when this $2,000,000 reserve was first built up.

Q. Now, you have examined these returns that have been made under Business Profit Tax Act. Now, have you found that business profits have been paid on the difference between your computation - or, rather, I will put it this way: On the difference between what the profits would be shown had your computation been adopted instead of the ones that we adopted? A. No, I have not examined them to that extent because when I was with Mr. Elliott the other day we did not discuss ---

Q. You did not discuss business profits? A. Well, we did but they simply treated it as income tax problem,

Q. Just in what the way it is made out by the Government?

Q. So that the total claim by the Government is $382,000 approximately? A. Yes.

Q. That is for the period from 1920 to 1923?

A. Yes.

Q. 1925? A. Yes.

Q. And, of course, this is still tentative and may be adjusted either way if errors found? A. It will be because there are some things we found here.

Q. And it does not deal with Business Profits Tax?

A. No, I do not think so.

THE COMMISSIONER: That is the tax from 1918 to 1920.

MR. MONTGOMERY: That is 1916, 1917, 1918, 1919, 1920 when this $2,000,000 reserve was first built up.

Q. Now, you have examined these returns that have been made under Business Profit Tax Act. Now, have you found that business profits have been paid on the difference between your computation - or, rather, I will put it this way: On the difference between what the profits would be shown had your computation been adopted instead of the ones that we adopted?

A. No, I have not examined them to that extent because when I was with Mr. Elliott the other day we did not

---

Q. You did not discuss business profits? A. Well, we did not simply treated it as income tax profits

so that no calculation was made by myself or by them as far as I know.

Q. On business profits? A. On business profits.

Q. Well, Mr. Sheppard and I have been making some calculations that may have some sad news for you. However, I suggest, Mr. Brown, that you take that matter up with the proper taxing authorities and see if you cannot work out at least what the figures are and the basis on which they would have been calculated had your figures been shown in the returns that were shown to the Government. One more thing before you leave. Now, it is suggested by Mr. Dawson that there is correspondence that indicates that this reserve was disclosed to the proper taxing authorities. Can you show me that correspondence? A. I would say a reserve, but not this.

Q. I think probably that is more correct. Probably better have all the correspondence that pertains to it? A. I do not know whether you want that, shows company overpaid $128,000.

Q. Well, we get a little amusement out of this. Evidently over-paid $100,000, and then claimed it back? A. They lent it to the Government for the year. They were hard up and let it stay.

Q. What is the earlier correspondence that refers-- A. This is all I have. You can take what you want. Just questions of inventory and valuation - I don't

as that no calculation was made by myself or by them
[illegible] been.

Q. Do [illegible] [illegible]
[illegible].

Q. Well, Mr. Sheppard and I have been making some
calculations that may have some sad news for you.
However, I suggest, Mr. Brown, that you take that back
up with the proper taxing authorities and see if you
[illegible] on what they would have been calculated had you
figures been shown in the returns that were shown to
government. One more thing before you leave. Now,
is suggested by Mr. Dawson that there is correspondence
that indicates that [illegible] was [illegible]
[illegible].

correspondence? A. I would say a reserve,
but not this.

Q. I think probably that is more correct. [illegible]
better have all the correspondence that pertains to
A. I do not know whether you want [illegible]
[illegible].

Q. Well, we get a little [illegible].
evidently over-paid $100,000, and then claimed it be
A. They left it to the Government for the year.
They were hard up and left it stay.

Q. That is the earlier correspondence that refe
A. This is all I have. You can take what you want
that questions of inventory and valuation - I don't

know whether they are all relative or not.

Q. Now, is this not case of going over ---

MR. BRUNEAU: Q. These are all copies? A. Yes.

MR. McRUER: Q. Is this not the case, in going over these - what actually happendd was that after the decline in raw cotton in the year 1921, that the Company claimed an additional allowance for loss on inventory, that was made on the basis of the Balance Sheet,- that the inventory had been shown as so-and-so on the Balance Sheet, that they had made a loss on raw cotton and they wanted an allowance of some $600,000, and that is entirely in addition to the secret inventory reserve. A. No, I would say in this connection that a very broad interpretation of inventory and inventory adjustment was made by the Commissioner. There is no where in the Act which states the basis that your inventory has got to be shown for income tax. I have not seen any.

THE COMMISSIONER: Q. Do you mean business tax? A. No, under inventory tax. If you take your income tax returns from 1920 to 1933 you won't see the word "Cost" or "Market" used.

MR. McRUER: Q. No, but it is used in these statements? A. That is with the Company but not with the Department.

THE COMMISSIONER: It should be a true inventory whatever it is.

THE WITNESS: What is true inventory?

they actually they are all relative or not.

Q. Now, is this not case of going over ---

Mr. GOWAN: Q. These are all copies? A. Yes.

MR. HORNER: Q. Is this not the case, in going over these - what actually happened was that after the decline in raw cotton in the year 1921, that the Company claimed an additional allowance for loss on inventory, that was made on the basis of the balance sheet,- that the inventory had been shown as so-and-so on the balance sheet, that they had made a loss on raw cotton and they wanted an allowance of $200,000, and that is entirely in addition to the secret inventory reserve.

A. No, I would say on that statement that a very broad interpretation of inventory and inventory adjustment was made by the Commissioner. There is no where in the act which states the basis that your inventory has got to be shown for income tax. I have not been able.

MR. GOWAN: Q. Do you mean business tax?

A. No, neither inventory tax. If you take your income tax returns from 1917 to 1923 you won't see the word "Cost" or "Market" used.

Mr. HORNER: Q. No, but it is used in these statements? A. That is with the Company but not with the Department.

Q. Would: It would be a true inventory statement if it.

THE COMMISSIONER: Actual value, I suppose.

THE WITNESS: Not always.

MR. McRUER: Q. Look at this statement of 1918. Here is what they were required to sign: "Certificates of inventories: I, Alexander Bruce, Secretary Treasurer of Canadian Cottons Limited do hereby certify that I havemade a careful investigation of the prices on which the inventory, merchandise and materials on hand were calculated for the accounting period which ended 31st of March, 1918 and I make the following declaration knowing the same to be true and correct," and what he is asked to declare is: "State fully the basis on which the inventory was taking at the beginning and end of the period. If any allowance was made for shrinkage or decline in values the amount must be stated." Then there was opposite that "Cloth and process stock taken at cost less 15%. Raw cotton and supplies at cost at end of period taken on same basis." Now, according to your statement in the year ending 31st March, 1918, the average price of raw cotton, average cost was 28.45. They took it for the purpose of their inventory at 7.90 - now, that is correct? A. I cannot say. These are the figures I have. I don't know what basis this was made up.

THE COMMISSIONER: He did not say taken at cost less 60%.

THE COMMISSIONER: Actual value, I suppose.

THE WITNESS: Not always.

MR. BOURNE: Q. Look at this statement of 1912. Here is what they were required to sign:

"Certificates of inventories: I, Alexander Bruce, Secretary Treasurer of Dominion Cotton Limited do hereby certify that I have made a careful inventory of the prices on which the inventory, merchandise and materials on hand were calculated for the accounting period which ended 31st of March, 1912 and I make the following declaration knowing the same to be true and correct," and what he is asked to declare is:

"State fully the basis on which the inventory was taken at the beginning and end of the period. If any allowance was made for shrinkage or decline in values the amount must be stated." Then there was opposite that "Cloth and process stock taken at cost less 15%.

Raw cotton and supplies at cost at end of period taken on same basis." Now, according to your statement in the year ending 31st March, 1912, the average price of raw cotton, average cost was 22.45. They took it [illegible] is correct? A. I cannot say. These are the figures I get. [illegible] mean up.

THE COMMISSIONER: He did not say taken at cost less 50%.

MR. McRUER: He says raw cotton is taken at cost. Now, the average price of raw cotton was 28.45. They took it at 7.90. The goods after process at 40%, they are taking at 15. The finished goods was taken at 40%; they say in their statement that it was taken at 15. Now, ---- A. Well, of course, you are working on different basis, if you read this statement here. They state "Cloth in process taken at cost less 15%," but this is at list. You are working on entirely different basis. There are two different bases.

THE COMMISSIONER: What I was pointing out is this: Mr. Bruce said he was taking cloth at cost less 15% but he was taking raw cotton at cost, not saying he was taking it at any percent reduction - that is right? A. Well, that is what Mr. Bruce says.

MR. McRUER: Q. Well, when we deal with the question of inventory of raw cotton at that time, it is taken at 7.90, your figure gives average cost at 28.45. Next a year it jumped by 3.50, and following year by 4.15, so that there was continual appreciation for two years ? A. Yes, but then proceeded ---

Q. So that they would be making money out of their inventory instead of losing money - that is correct? A. If they sold it.

Q. Well, if they had bought it cheap and held it. Then we will take the amount that they took it into

Now, the average price of raw cotton was 28.45. They took it at 7.90. The goods after process at 40%, they are taking at 15. The finished goods was taken at 40%; they say in their statement that it was taken at 15. Now, ---- A. Well, of course you are working on different basis, if you read this statement here. They state "Cloth in process taken at cost less 15%," but this is at list. You are working on entirely different basis. There are two different bases.

THE COMMISSIONER: What I was pointing out is this: Mr. Bruce said he was taking cloth at cost less 15% but he was taking raw cotton at cost, not saying he was taking it at any percent reduction - that is right? A. Well, that is what Mr. Bruce says.

MR. MORDEN: Q. Well, when we deal with the question of inventory of raw cotton at that time, it is taken at 7.90, your figure gives average cost at 28.45. Next a year it jumped by 3.30, and following year by 4.10, at that time was continued operations for two years? A. Yes, but then proceeded ---

Q. So that they would be making money out of their inventory instead of losing money - that is exactly what they did.

A. Yes, if they had taken it away and said it.

their balance sheet at. It was 7.90, 8.55, and 8 for those three years. The next year they took it in at 6. Now, raw cotton from 1919 to this date has never reached an average of 7.90? A. Oh yes, it has.

Q. I see on your figures the average for the year, average cost --- A. Yes, unfortunately the taking of inventory at fixed date is a very arbitrary thing. You have your running prices.

Q. I know, but I am taking the price at the inventory period you have taken and we are comparing two periods - one at which they took it in at and then the price you figured following and there never was a time on your statement of the computation of theaverage price of raw cotton which you took into the inventory at which it reached 7.90? A. No, 9.44 was the ~~last~~ lowest.

Q. And they never took it in from ---? A. They took it in ---

Q. They took it in there, I know. During those years when it was so high they took it in at 8.55, 8 and 6, and the lowest point it ever reaches on your statement is 9.44. So that apparently, Mr. Brown, this inventory reserve was out of all proportion for any legitimate reserve for losses? A. No, I would not say that.

Q. Well, would you say that taking raw cotton in at 5 cents, a constant price of 5 cents, 1932, is a correct thing to do even if you were disclosing it?

[illegible]

[illegible] 7.89, 8.18, and 8 for those three years. The next year they took it in at 8. Now, raw cotton from 1919 to this date has never reached an average of 7.907 [illegible]

Q. I see on your figures the average for the year, [illegible] and ---- [illegible] of inventory at fixed date is a very arbitrary thing. You have your running prices.

A. I know, but I am taking the price at the inventory period you have taken and we are comparing two periods - one at which they took it in at and then the price you figured following and there never was a time on your statement of the computation of the average price of raw cotton which you took into the inventory at which it reached 7.907 A. No, 8.44 was the lowest.

Q. And they never took it in from ---? A. They took it in ---

A. They took it in then, I know. During those years [illegible] 8 and 6, and the lowest point it ever reaches on your statement is 7.44. [illegible] this inventory reserve was out of all proportion for any legitimate reserve for inventory. [illegible] any one year.

Q. Well, would you say that taking raw cotton in at [illegible] a [illegible] of [illegible], 1924, is a

It would not be allowed by the taxing authorities if that figure were disclosed to the taxing authorities that when raw cotton in 1932 wqs 9.47 it was taken in the balance sheet at 5. In 1934 the average price was 12.20, taken into the balance sheet at 5. 1935 the average price was 13.64 taken in at 5. In 1936 the average price was 12.66 and taken in at 5. The taxing authorities, if that was disclosed, would not allow such an inventory reserve, would they, as a legitimate reserve? A. I am not the Commissioner of taxation.

THE COMMISSIONER: Mr. McRuer, you remember we decided yesterday to go on this afternoon and finish with Mr. Kellock.

MR. McRUER: Mr. Brown, I was going to let you have an opportunity of visiting the tax officials this afternoon about War profits Tax. We will have to let Mr. Brown off.

THE COMMISSIONER: That means we won't resume again, so far as Mr. Brown is concerned or this Company, until tomorrow afternoon. We do not sit tomorrow morning.

MR. McRUER: Mr. Brown, I do not think I can finish until you have cleared that question of Business profits. I will have to bring you back anyway.

THE WITNESS: Why ask me about business profits?

MR. McRUER: I am asking the Company anyway.

THE COMMISSIONER: Anyhow, the fact remains -

It would not be allowed by the taxing authorities if that figure were disclosed to the taxing authorities that when raw cotton in 1932 was 9.47 it was taken in the balance sheet at 5. In 1934 the average price was 12.60, taken into the balance sheet at 5. 1935 the average price was 12.64 taken in at 5. In 1936 the average price was 12.55 and taken in at 5. The taxing authorities, if that was disclosed, would not allow such an inventory reserve, would they, as a legitimate reserve? A. I am not the Commissioner of taxation.

THE COMMISSIONER: Mr. Monnot, you remember we decided yesterday to go on this afternoon and finish with Mr. Allan.

MR. MONNOT: Mr. Brown, I was going to let you have an opportunity of visiting the tax officials this afternoon about our profits tax. We will have to let Mr. Brown off.

THE COMMISSIONER: That means we won't resume as far as Mr. Brown is concerned or this Company, until tomorrow afternoon. We do not sit tomorrow morning.

MR. MONNOT: Mr. Brown, I do not think I can finish until you have cleared that question of Business profits. I will have to bring you back anyway.

MR. BROWN: Why ask me about business profits? Mr. Monnot: I am asking the Company anyway.

do you want Mr. Brown here tomorrow afternoon at a quarter after two?

MR. McRUER: I will talk to him afterwards.

MR. BRUNEAU: I was just wondering if you were through with Mr. Dawson?

MR. McRUER: I am through with him to-day. I want to accommodate you and he is the one I think that must take the responsibility at the moment.

THE COMMISSIONER: You understand, Mr. Bruneau, that we are not going on with this question this afternoon. As far as this is concerned we start tomorrow afternoon at quarter after two.

MR. BRUNEAU: And we will not bring Mr. Dawson back until further required?

MR.McRUER: No, I will let you know.

I would like to file this correspondence before we leave. It is correspondence between Commissioner of Taxation and Canadian Cottons. I have not read it.

EXHIBIT 895: Bundle of correspondence between the Commissioner of Taxation and Canadian Cottons.

-- Adjourned at 12.30 P.M. to resume at 2.15 P.M.

MR. MONDEN: I will talk to him afterwards.

MR. BROWNEAU: I was just wondering if you were

[illegible] with Mr. Brownell.

MR. [illegible]: I am sorry with the [illegible]. I [illegible]

to accommodate you and he is the one I think that must

take the responsibility at the moment.

THE COMMISSIONER: You understand, Mr. Brunean,

that we are not going on with this question this

afternoon. As far as this is concerned we start

tomorrow afternoon at quarter after two.

MR. BROWNEAU: And we will not bring Mr. Hewson

back until further required?

MR. MONDEN: No, I will let you know.

I would like to file this correspondence before we

leave. It is correspondence between [illegible]

of Taxation and Canadian Cottons. I have not read it.

[illegible] Bundle of correspondence between the Commissioner of Taxation and Canadian Cottons.

Adjourned at 12.30 P.M. to resume at 2.15 P.M.

AFTERNOON SESSION

-- The Commission resumed at 2:15 P.M.

GORDON HOOPER, recalled,

BY MR. KELLOCK:

Q. Mr. Hooper, in connection with exhibit 891 -- A. Mr. Kellock, might I go back to the question that was raised yesterday about the drawback on the customs duty just for a second.

Q. Which exhibit was that ? A. I made inquiries from the Commissioner of Tariffs and I am advised there are two major considerations.

BY THE COMMISSIONER: Q. There are what ? A. Two major considerations.

Q. In the granting of drawback ? A. In the granting of drawback; the first one, whether the secondary manufacturer's raw materials are available in Canada, that is the first consideration.

Q. Whether the secondary manufacturer's -- A. Secondary manufacturer's raw materials.

Q. Why do you call them secondary manufacturers? A. In the case of -- they have to depend on a primary manufacturer for their raw material. In the case of manufacturers of cases they have to depend on the textile manufacturer for velveteens to line those cases. That was one of the items yesterday. Another is 1030.

Q. You call the manufacturer of velveteens the primary manufacturer ? A. Yes.

Q. You said secondary manufacturers ? A. Yes, whether the secondary manufacturers' raw materials are

The Commission resumed at 2:15 p.m.

BY Mr. CHLOROS:

Q. Mr. Hooper, in connection with exhibit 991 -- Q. Mr. Kellock, might I go back to the question that was raised yesterday about the drawback on the customs duty just for a second.

Q. [illegible] I made inquiries from the Commissioner of Tariffs and I am advised there are two major considerations.

BY THE COMMISSIONER: Q. There are what ?

A. Two major considerations.

Q. In the granting of drawback ? A. In the granting of drawback; the first one, whether the secondary manufacturer's raw materials are available in Canada, that is the first consideration.

Q. Takes the secondary manufacturer's --

A. Secondary manufacturer's raw material.

Q. [illegible]

A. [illegible] -- that arise [illegible] a primary manufacturer for their raw material. In the case of manufactures of cases they have to depend on the textile manufacturer for velvetens to line those cases. That was one of the items yesterday. Another is 1080.

Q. You call the manufacturer of velvetens the primary manufacturer ? A. Yes.

Q. [illegible] A. [illegible]

available in Canada, that is, the same manufacturer, whether his raw materials are available in Canada, whether his velveteen is available in Canada.

Q. You mean to say the question is whether the raw material can be had in Canada, A. Not the raw material; you might consider raw material raw cotton. These yarns come in these fabrics.

Q. I mean where raw material is a secondary matter, A. No, it is a first matter to a manufacturer of other than fabrics.

Q. Is it the secondary manufacturer who is the one who is applying for the drawback, A. Yes, my lord.

Q. Well, if you put it that way I understand you. He must be in a position where he cannot get his raw material in Canada, A. Yes, my lord, that is the first consideration.

BY MR. KELLOCK: Q. Well, are you suggesting, Mr. Hooper, that the drawbacks listed on exhibit 891 may only be obtained in the circumstances you mentioned, A. That is the first consideration. I have a second.

THE COMMISSIONER: He said there were two considerations; now, that is one, A. That is the first one.

Q. What is the other one, A. Where the tariff rate on the secondary manufacturers' finished article is lower than that obtaining on his raw material. In other words, to use the same case we had before, as to the case manufacturers, luggage manufacturers--

Q. You mean to say when the customs tariff on

available in Canada, that is, the same manufacturer, whether his raw materials are available in Canada, whether his velveteen is available in Canada.

Q. You mean to say the question is whether the raw material is available in Canada? A. Not the raw material; you might consider raw material raw cotton. These yarns come in these fabrics.

Q. I mean where raw material is a secondary material? A. No, it is a first matter to a manufacturer of other than fabrics.

Q. Is it the secondary manufacturer who is the one who is applying for the drawback? A. Yes, my lord.

Q. Well, if you put it that way I understand you. He must be in a position where he cannot get his raw material in Canada? A. Yes, my lord, that is the first consideration.

ST. JOHN: Q. Well, and you understand, Mr. Hooper, that the drawback claim is entirely not may only be obtained in the circumstances you mentioned? A. That is the first consideration. I have a second.

THE COMMISSIONER: He said there were two considerations; now, that is one? A. That is the first one.

Q. What is the other one? A. Where the tariff rate on the secondary manufacturers' finished articles is lower than that obtaining on his raw material in other words, to use the same case we had before, we in the cotton manufacture, large manufacturers-

luggage is less than the customs tariff on the material that goes into the luggage? A. Yes.

Q. In that case again he gets the drawback? A. That would be another consideration in the granting of drawback.

Q. Have we got that now?

MR. KELLOCK: No, my lord, I don't follow it. What I would like to ask the witness is do you mean by what you have just said, Mr. Hooper, that there are limitations on the granting of the drawbacks which are set out in exhibit 891? A. Yes.

Q. Which appear to be absolutely provided for by the statute? A. No -- that is provided for by the statute, yes.

BY THE COMMISSIONER: Q. What you have just said? A. No, my lord.

MR. KELLOCK: Q. Where is the basis for what you have just said? You see, section 12 of the act provides -- of the statute provides for these drawbacks,--

THE COMMISSIONER: Pardon me a moment; have you section 12 available there?

MR. KELLOCK: It was read into the record yesterday, my lord.

THE COMMISSIONER: You had better read it again so I will have it in mind.

MR. KELLOCK: Section 12, sub-section 1 --

"On the materials set forth in Schedule B to this Act, when used for consumption in Canada for the purpose specified in that Schedule, there

language is less than the customs tariff on the material that goes into the language? A. Yes.

Q. In that case again he gets the drawback?

A. That would be another consideration in the granting of drawback.

Q. Have we got that now?

MR. KELLOCK: No, my lord, I don't follow it. What I would like to ask the witness is do you mean by what you have just said, Mr. Hooper, that there are limitations on the granting of the drawbacks which are set out in exhibit 89? A. Yes.

Q. Which appear to be absolutely provided for by the statute? A. No -- that is provided for by the statute, yes.

BY THE COMMISSIONER: Q. What you have just said? A. No, my lord.

MR. KELLOCK: Q. Where is the basis for what you have just said? You see, section 12 of the act provides -- of the statute provides for these drawbacks,--

THE COMMISSIONER: Pardon my a comment; have you section 12 available there?

MR. KELLOCK: It was read into the record yesterday, my lord.

THE COMMISSIONER: You had better read it again so I will have it in mind.

MR. KELLOCK: Section 12, subsection 1 --

"On the materials set forth in schedule B to this act, when used for consumption in Canada for the purpose specified in that schedule, the

"may be paid, out of the Consolidated Revenue Fund"--

THE COMMISSIONER: May be paid.

MR. KEILOCK: Yes, and I am asking the witness --

THE COMMISSIONER: I should not have interrupted.

MR. KEILOCK: I am sorry, my lord.

"--the several rates of drawback of Customs duties set opposite to each item respectively in that Schedule, under regulations by the Governor in Council."

Now, have there been regulations upon which the evidence you have just given is based? A. I would not think so, no. That is a question for the Minister of Finance as to whether he would recommend drawbacks.

Q. Well, what I am asking you -- A. I am giving you the basis on which he considers an application for drawbacks.

Q. I am asking you, Mr. Hooper, where the Minister gets the authority to limit, or to impose these conditions on applications for drawback? A. I don't think you would find any authority for that. There is no authority for setting the rates of duty.

Q. Oh yes, there is. A. Is there? The basis on which rates of duty are set?

BY THE COMMISSIONER: Q. The section provides for regulations; are there any regulations? A. No, my lord, not in regard to this.

Q. The section says, you see, that a refund can be made only subject to regulations to be made by the Governor General in Council. I think you will find there are some. A. This is the basis used by

"may be paid, out of the Consolidated Revenue Fund

THE COMMISSIONER: May be paid.

MR. KERLOOK: Yes, and I am asking the witness -

THE COMMISSIONER: I should not have interrupted

MR. KERLOOK: I am sorry, my Lord.

"--the several rates of drawback of Customs duties set opposite to each item respectively in that schedule, under regulations by the Governor in Council."

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Q. Oh yes, there is. A. Is there?

The basis on which rates of duty are set?

[illegible]

for regulations; are there any regulations?

A. No, my Lord, not in regard to this.

Q. The section says, you see, that a refund on [illegible]

[illegible]

[illegible]

[illegible]

the Commissioner of Tariffs and the Minister of Finance.

BY MR. KELLOCK: Q. Mr. Hooper, is this what you mean, that in determining in the first instance whether or not provision will be made for the drawbacks which are specified in this exhibit then the considerations which you have mentioned apply, but once provision is made for drawbacks in these circumstances that is the end of it? A. That is the end of it, yes. Section 12 refers to the provisions made.

Q. Yes. A. Under section B, of the Customs Tariff.

Q. But exhibit 891 correctly sets out the cases in which drawbacks may be applied for and granted? A. Yes.

BY THE COMMISSIONER: Q. May be granted? A. May be granted.

Q. Not necessarily granted.

BY MR. KELLOCK: Q. I will make it the other way, that 891 sets out the circumstances in which applications for drawbacks will be granted? A. Will be granted, yes.

BY THE COMMISSIONER: Q. Will be granted? A. Yes, my lord, may under the law means shall, I take it.

Q. Where does this rule of yours, the two rules, rather, the one about the product being not available in Canada and one about the duty on the finished article being less than that on the raw material, arise? Is that in writing anywhere? A. No, my lord.

the Commissioner of Traffic and the Minister of Finance.

BY MR. KELLOCK: Q. Mr. Hooper, is this what you mean, that in determining in the first instance whether or not provision will be made for the drawbacks which are specified in this exhibit then the considerations which you have mentioned apply, but once provision is made for drawbacks in some circumstances that is the end of it? A. That is the end of it, yes. Section 12 refers to the provisions made.

Q. Yes. A. Under section 5, of the Customs Tariff.

Q. But exhibit 201 correctly sets out the cases in which drawbacks are to operate for and against?

A. Yes.

BY THE COMMISSIONER: Q. May be granted?

A. May be granted.

Q. Not necessarily granted.

BY MR. KELLOCK: Q. I will make it the other way. Just put into my the circumstances in which applications for drawbacks will be granted? A. Will be granted. Yes.

BY THE COMMISSIONER: Q. Will be granted?

A. Yes; so long, they make the law seems clear, I say it.

Q. Where does this rule of yours, the two rules, rather, the one under the Customs Tariff and exhibit 201 in Canada and the other the law on the Finance Act, being just exactly the same as the statutory, rather, in that it varies

Yesterday I wanted to draw to your attention the effect of these drawbacks, a refund of duties under certain circumstances, and it would not be taken for granted that this applied except in certain circumstances, and the circumstances are as provided there, and it should further be pointed out that in the case where 99% drawback is shown, and where there are lesser drawbacks shown, that certain considerations were taken into account when authorizing or recommending drawbacks of duty, and the first consideration -- the two considerations are those I have mentioned, that goods were not available in one case and in the second the tariff rate on the finished article as produced by the secondary manufacturer was less than the rate obtaining on his raw material.

BY MR. KELLOCK: Q. Mr. Hooper, take item 1012x in this exhibit; that is the one that refers to linings for hats and caps.

THE COMMISSIONER: I cannot visualize it unless you read it. What does it say?

MR. KELLOCK: The description, my lord, is "woven fabrics in the web", and as to when subject to drawback, "when used in the manufacture of linings for hats and caps"-- that is part of it, if I may stop there. Now, Mr. Hooper, if I import woven fabrics to-day in the web which I propose to use for linings for hats or caps I simply come along and show you my invoice and I am entitled to a drawback, am I not? A. After investigation proving

Yesterday I wanted to draw to your attention the effect of these drawbacks, a refund of duties under certain circumstances, and it would not be taken for granted that this applied except in certain circumstances, as the circumstances are in previous cases, and it should further be pointed out that in the case where 99% drawback is shown, and where there are less drawbacks shown, that certain considerations were taken into account when authorizing or recommending drawbacks of duty, and the first consideration -- the two considerations are those I have mentioned, that goods were not available in one case and in the second the tariff rate on the finished article as produced by the secondary manufacturer was less than the rate obtaining on his raw material.

BY MR. KELLOCK: Q. Mr. Hooper, take item 1018 in this exhibit; that is the one that refers to linings for hats and caps.

THE COMMISSIONER: I cannot visualize it unless you read it. What does it say?

MR. KELLOCK: The description, my lord, is "woven fabrics in the web", and as to when subject to drawback, "when used in the manufacture of lining for hats and caps"-- that is part of it, if I may stop there. Now, Mr. Hooper, if I import woven fabrics to-day in the web which I propose to use for linings for hats or caps I simply come along and show you my invoice and I am entitled to a drawback, am I

you have used it in the manufacture of caps.

Q. Alright, assuming that fact, I don't have to show anything else, that the material is not made in Canada to-day or that the rate of duty I enjoy on my hat and cap is less than the duty on the raw material, I don't have to show that? A. But you did show it when you applied to the Minister of Finance for a drawback under the tariff item, on the duties collected under certain tariff items. You showed that.

Q. That is what I thought I was dealing with; if I come along to-day -- A. You do not have to show it every time when you put in your application. You brought these facts before the Minister of Finance that these goods were not made in Canada at that time.

BY THE COMMISSIONER: Q. You satisfied him? A. You satisfied him.

BY MR. KELLOCK: Q. When I made my first application? A. When you made your first application for a drawback.

Q. Are you speaking of a drawback item or of the drawback on a particular shipment? A. You made an application for a drawback to the Minister of Finance, that he would provide a proper --

Q. In other words, that he would make this provision here? A. That he would make that provision there.

Q. I am not speaking of that. I may have had nothing to do with that at all. Somebody else may have brought this about and it is statutory now?

The Nova Scotia is in the manufacture of rum.

Q. Alright, assuming that fact, I don't have to show anything else, that the material is not made in Canada to-day or that the rate of duty I enjoy on my hat and cap is lower than the duty on the raw material, I don't have to show that? A. But you did show it when you applied to the Minister of Finance for a drawback under section 1(1) of the Customs Act that.

Q. That is what I thought I was dealing with; if I come along to-day -- A. You do not have to show it every time when you put in your application. You brought these facts before the Minister of Finance that these goods were not made in Canada at that time.

BY THE COMMISSIONER: Q. You satisfied him?

A. You satisfied him.

BY MR. KINGDON: Q. When I made my first application? A. When you made your first application for a drawback.

Q. Are you speaking of a drawback item or of the drawback on a particular shipment? A. You made an application for a drawback to the Minister of Finance, that he would provide a proper --

Q. In other words, that he would make this provision here? A. That he would make that provision there.

Q. I am not arguing at all. I am just [illegible] nothing to do with that at all. Somebody else may come forward with a claim and it is satisfactory now?

A. Yes.

THE COMMISSIONER: It is statutory what?

MR. KELLOCK: Statutory now.

THE COMMISSIONER: I think you are at cross purposes. If I understood the witness correctly -- you are a manufacturer of hats and you come along and you have got your first consignment of this lining for your hats. You establish then that you cannot get that in Canada and you get your drawback, and then you get your drawback each time; is that right? A. No, my lord, that is after the law has been passed, my lord.

Q. After the law has been passed? A. Yes.

Q. After the law is passed the manufacturer has nothing to do with it? A. But the manufacturer did go to the Minister of Finance.

Q. When? A. At some date prior to the time --

Q. You mean to get the Act passed? A. To get the Act passed.

Q. Oh well, that is not the point --

A. Yes, but that is the time he proved these goods were not of a class or kind made in Canada.

Q. My point is the Act now says specifically you get a drawback every time you import these goods? A. Yes, sir.

Q. And the only way you can change that is by changing the Act? A. By changing the Act.

Q. Then, if somebody did start to manufacture

A. Yes.

THE CHAIRMAN: It is statutory what?

MR. WILSON: Statutory now.

THE CHAIRMAN: I think you are at cross purposes. If I understood the witness correctly -- you are a manufacturer of beta and you come along and you have got your first consignment of this lining for your beta. You satisfied then that you cannot get that in Canada and you get your drawback, and then you get your drawback each time; is that right?

A. No, my Lord, that is after the law has been passed, my Lord.

Q. After the law has been passed? A. Yes.

Q. After the law is passed you [illegible] has nothing to do with it? A. But the manufacturer did go to the Minister of Finance.

Q. When? A. At some date prior to the time --

Q. You mean to get the Act passed? A. To get the Act passed.

Q. Oh well, that is not the point --

A. Yes, but that is the time he proved those goods were not of a class or kind made in Canada.

Q. My point is the Act now says specifically you get a drawback every time you import those goods?

A. Yes, sir.

Q. And the only way you can change that is by changing the Act? A. By changing the Act.

Q. But, if [illegible] that is [illegible]

them in Canada you would have to change the Act first? A. Quite so.

BY MR. KELLOCK: Q. You are not suggesting that in connection with goods covered by this same item, 1012, that, as a matter of fact these linings are not made in Canada to-day? You do not suggest that?

THE COMMISSIONER: Well, that alters the witness' evidence. He began by saying there are two main considerations which apply on each application, one is that the material is not available in Canada. Now, that is not the fact? A. Yes, my lord, but on the application before that item was put into the Customs Act --

Q. Never mind that, that is past history. Now that the Customs Act is there I have not got to go and show the Minister I cannot get the material in Canada, have I? A. No, sir, but I think you should know that these goods were, at the time that the several acts were passed, that those goods were not of a class or kind made in Canada.

Q. That may be, but when an individual -- the question is when an individual applies to-day for a drawback he hasn't got to show either of those considerations you are saying? A. No.

Q. All he does is show the act; that is right? A. That is right. In answer to your question, Mr. Kellock, cap linings are held to be of a class or kind not made in Canada.

then in Canada you would have to change the Act first?

A. Quite so.

BY MR. KENNEDY: Q. You are not suggesting that in connection with goods covered by this same item, 1012, that, as a matter of fact these findings are not made in Canada to-day? You do not suggest that?

THE COMMISSIONER: Well, that alters the witness' evidence. He began by saying there are two main considerations which apply on each application, one is that the material is not available in Canada. Now, that is not the fact? A. Yes, my lord, but on the application before that item was put into the Customs Act --

Q. Never mind, that is just a fact.

Now that the Customs Act is there I have not got to and show the Minister I cannot get the material in Canada, have I? A. No, sir, but I think you should know that these goods were, at the time that the several acts were passed, that those goods were not of a class or kind made in Canada.

Q. That may be, but when an individual -- the question is when an individual applies to-day for a drawback he doesn't get to show either of those considerations you are saying? A. No.

Q. All he does is show the act; that is right?

A. That is right. In answer to your question, Mr. Milligan, any listener can tell if a class or kind not made in Canada.

BY MR. KEILOCK: Q. Pardon? A. Cap linings are held to be of a class or kind not made in Canada.

Q. To-day? A. To-day.

Q. You know, as a matter of fact, they are made? A. Oh, I don't know.

Q. You don't know? A. I would not know that.

Q. Now, Mr. Hooper, dropping down to item 1030-B, which is "woven fabrics wholly of cotton not bleached, mercerised or coloured, weighing not more than 7½ pounds per 100 yards", and the circumstances under which the drawback applies is "when imported under the British Preferential Tariff and used exclusively in the manufacture of articles enumerated in Tariff Item 236", which is surgical dressings?
A. Yes.

Q. Now, that drawback is 99%; that was increased on the 2nd of May this year, was it not?
A. From 50%.

Q. You are not suggesting on the 2nd of May this year when that increase was made that surgical dressings were not made in Canada? A. Oh, surgical dressings were made in Canada, yes.

Q. The materials for surgical dressings?
A. Unbleached gauze?

Q. Yes? A. From the information I have representations were made by the English manufacturers and acknowledged by the Canadian weavers that these goods were not available in Canada.

Q. I am instructed the Dominion Textile Company make them even now at the rate of two million yards a

BY MR. RAILTON: Q. Pardon? A. Cap linings are held to be of a class or kind not made in Canada.

Q. To-day? A. To-day.

Q. You know, as a matter of fact, they are made? A. Oh, I don't know.

Q. You don't know? A. I would say [illegible]

Q. Now, Mr. Hooper, dropping down to item 1030-B, which is "woven fabrics wholly or partly of wool, [illegible] than 7½ pounds per 100 yards", and the circumstances under which the drawback applies is "when imported under the British Preferential Tariff and used exclusively in the manufacture of articles enumerated in Tariff Item 336", which is surgical dressings?

A. Yes.

Q. Now, that drawback in 39½ that was increased on the 2nd of May this year, was it not?

A. From 50%.

Q. You are not suggesting on the 2nd of May this year when that increase was made that surgical dressings were not made in Canada? A. Oh, surgical dressings were made in Canada, yes.

Q. The materials for surgical dressings?

A. [illegible]

Q. Yes? A. From the information I have representations were made by the English manufacturers and acknowledged by the Canadian weavers that these goods were not available in Canada.

Q. I am instructed the Dominion Textile Compa

year? A. For another purpose.

Q. Well, it is the same thing no matter what purpose it is used for? A. Yes, but their output is consumed for the other purpose. Either they cannot or do not want to make any gauze for surgical dressings.

Q. But the gauze that they make is quite capable of being used for surgical dressings; it is the same article whether they use it for surgical dressings or anything else? A. But they cannot supply the demand or will not supply the demand.

Q. I am just seeing if you will agree with me this far, that they do make it? A. The raw materials are not available in Canada.

Q. You are not answering my question. A. They do not make any gauze for surgical dressings as far as I know.

Q. Then, you don't know; in other words, you don't know? A. Well, Mr. Gordon told me last night.

Q. Well, we cannot enter into that.

THE COMMISSIONER: You see, Mr. Kellock, perhaps there is a misunderstanding. Mr. Hooper comes to us in this way. I asked the department of Customs to let us have a competent and experienced official of the department who could explain to us what the act is offhand and the workings of the department under the act. That is all. He is just here to give that information. He is not arguing any particular side of any question, and things outside of that are not to be in the scope of his information. All these

that? A. For another purpose.

Q. Well, it is the same thing no matter what purpose it is used for? A. Yes, but their output is consumed for the other purpose. Either they come or do not want to make any gauze for surgical dressing.

Q. But the gauze that they make is quite capable of being used for surgical dressings; it is the same article whether they use it for surgical dressings or anything else? A. But they cannot supply the demand or will not supply the demand.

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exhibits he filed he compiled because Mr. McRuer asked him for that particular information. If there is anything that you want from Mr. Hooper he will be pleased to get it, compile it and file it for you.

MR. KELLOCK: There will be, my lord, when I come to that.

THE COMMISSIONER: There are many things outside the department which I don't think he can give you the best evidence on. For instance, if the Dominion Textile Company is manufacturing that particular fabric you could very easily establish that.

MR. KELLOCK: Except I understood Mr. Hooper to say--

THE COMMISSIONER: He is not responsible for the passing of the Act or the bringing down of the budget.

MR. KELLOCK: Except that I understood Mr. Hooper to say yesterday -- he has cleared up the misunderstanding about 891 now -- that these materials as to which the 99% drawback applied, none of them, in fact, were made in Canada to-day, and that is the reason for my question but the situation is plain, I think, now.

THE COMMISSIONER: You can take the Act, Mr. Kellock. The Act exempts practically from duty these things by these drawbacks, 99%, 65%, 50%. If you want to establish in reality these things are made and are available to the manufacturer in Canada you can very easily do it.

BY MR. KELLOCK: Q. There is just one thing, that the exhibits -- I think it is clear from what you told me yesterday that the exhibits which you have put

exhibits be filed be supplied because Mr. Hooper asked him for that particular information. If there is anything that you want from Mr. Hooper he will be glad to get it, compile it and file it for you.

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THE COMMISSIONER: You can take the act, Mr. Kellock. The act exempts practically from duty these things by these drawbacks, 99%, 65%, 30%. If you want to establish in reality these things are made and are available to the manufacturer in Canada you can very easily do it.

BY MR. KELLOCK: Q. There is just one thing, that the exhibits -- I think it is clear from what you told me yesterday that the exhibits

in showing that the duty rates are so and so, must be read subject to the cases where drawback applies; that is right? A. That is right.

Q. Alright; then, you were telling his lordship yesterday that the basis of the United States appraisal upon imports into the United States was that the appraiser went to the country of export and he took there the export price. His lordship said to you, "now, supposing there are four or five export prices to various countries which price does he take", and you said "the lowest"; is that right? A. No, I did not say the lowest. I said if the price certified to on the United States customs invoice was not lower than the lowest it would be accepted for duty purposes.

Q. In other words, if the price on the invoice is lower than the lowest then you go where?
A. Then, you would appraise these goods on the information collected showing what the selling price was to other foreign countries, and dumping duty would be collected.

Q. His lordship said to you if you have to go to determine the value in the exporting country --
A. Yes.

Q. And you find various prices to various countries, and I understood you to say you take the lowest; is that right? A. No, you see, they have already got the invoice before them with a certified value on.

Q. I know, but I am speaking of the circumstances where they don't take that certified value, they are

Q. Assuming that the duty-paid price was as and so, was I read subject to the cases where drawback applies; that is right? A. That is right.

Q. Alright; then, you were saying his lordship yesterday that the basis of the United States appraisal upon imports into the United States was that the appraiser went to the country of export and he took there the export price. His lordship said to you, "supposing there are four or five export prices to ver[illegible] [illegible] what price does he take", and you said "the lowest"; is that right? A. No, I did not s[illegible] the lowest. I said if the price certified to on the [illegible] invoice was not lower than the lowest it would be accepted for duty purposes.

Q. In other words, if the price on the invoice is lower than the lowest that you go about?

A. Then, you would appraise those goods on the information collected showing what the selling price was in other foreign countries, and assessing duty would be collected.

Q. His lordship said to you if you have to go to determine the value in the exporting country —

A. Yes.

Q. And you find various prices to various countries, and I understand you to say you take the lowest; is that right? A. No, you see, they have already got the invoice before them with a certified value on.

Q. I know, but I am speaking of the circumstances

not satisfied with it? A. If that certified value is not lower than the price at which they sell to other countries then it is accepted for duty purposes.

Q. I am asking you where it is lower then what does the United States appraiser do? A. He decides what the value for duty should be.

Q. On what information? A. On information submitted by their investigating officers in the foreign country.

Q. What information does the investigating officer in the foreign country give him? A. The selling prices to other foreign countries.

Q. His lordship then asked you at that point, supposing there were a number of selling prices to other foreign countries what would he do and you said, as I understood, he took the lowest; is that right? You gave me a decision -- you said there was a decision in the United States Supreme Court; do you remember that? A. Yes, there is a decision on taking export selling prices as the value for duty.

Q. Before I refer to that am I correct in my understand that your answer to his lordship was that in those circumstances the appraiser took the lowest? A. He would not take the lowest value, no.

Q. You did not say that? A. He would not take the lowest value, no.

Q. Well, here is what his lordship's question and your answer was, Mr. Hooper, page 12017, line 23 --

"BY THE COMMISSIONER: Q. Suppose there are different selling prices, half a dozen prices, do you take the lowest? A. Yes, provided the

not satisfied with it? A. If they certified value is not lower than the price at which they sell t other countries then it is accepted for duty purposes.

Q. I am asking you where it is lower than what does the United States appraiser do? A. He decide what the value for duty should be.

Q. On what information? A. On information submitted by their investigating officers in the foreign country.

Q. Have investigations been investigating officer in the foreign country give him? A. The selling prices to other foreign countries.

Q. His Lordship then asked you at that point, supposing there were a number of selling prices to other foreign countries what would he do and you said, as I understood, he took the lowest; is that right? You gave me a decision -- you said there was a decision in the United States Supreme Court; do you remember th A. Yes, there is a decision on taking export selling prices as the value for duty.

Q. Having I point to that and I suggest to my understanding that your answer to his Lordship was that in other circumstances the expression that the lowest? A. He would not take the lowest value, no.

Q. You did not say that? A. He would not take the lowest value, no.

Q. Well, here is what his Lordship's question and your answer was, Mr. Hooper, page 12017, line 28 "Q. Yes (Continuing) I suppose there are diff and selling prices, that's some prices, do you

"selling price to the United States was not lower than the lowest to any other foreign country."

Did you not intend that? A. I would not like to say offhand that you take the lowest export selling price, no. You take the export selling price as generally sold.

Q. That is it.

THE COMMISSIONER: What is that case, the Supreme Court case?

MR. KELLOCK: Mr. Hooper was good enough to turn it up for me and it isn't a decision of the United States Supreme Court. It is a decision of the United States Court of Customs and Patent Appeals, and it is based on section 402 of the Tariff Act of 1930, Clause A of which reads as follows:

"(a) Basis.-- For the purposes of this Act the value of imported merchandise shall be --

(1) The foreign value or the export value, whichever is higher;"

now, foreign value is defined by clause C of that section to be --

"(c) Foreign Value.--The foreign value of imported merchandise shall be the market value or the price at the time of exportation of such merchandise to the United States, at which such or similar merhhandise is freely offered for sale to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, including the cost of all containers and

"selling price in the usual course and at low

than the lowest to any other foreign country."

Q. Do you understand that

A. I would

like to say offhand that you take the lowest export

selling price, no. You take the export selling pr

as generally said.

Q. That is it.

THE COMMISSIONER: What is that case, the supre

Court case?

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section as --

"(c) Foreign Value.--The foreign value of impor

ted merchandise shall be the market value or th

price at the time of exportation of such merch

dise to the United States, or which would or

might be expected to freely offered for sale

to all purchasers in the principal markets of

the country from which exported, in the usual

wholesale quantities and in the ordinary course

trade, including the cost of all containers and

"coverings of whatever nature, and all other costs, charges and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States."

And the decision Mr. Hooper was good enough to refer me to is the case of United States versus Livingston & Southard, which is found in Treasury Decisions, Volume 68, No. 25, dated December 19, 1935, at page 47, and the situation there roughly was this, that the decision dealt with certain scientific instruments called rotoscopes. They are apparently a patented article and somewhat expensive, and the only principle which the court laid down is set out at the foot of page 53 and on 54 where the judgment of the majority says:

"But one question remains for discussion. The special agents' reports and the brief of the Government seem to proceed upon the theory that the foreign value of the rotoscopes in question must be based upon sales or offers for sale in England for home consumption. It is our opinion that, under said section 402 (c), all unrestricted offers for sale, such as those in the case at bar, in the principal markets of the country from which the merchandise is exported, whether for home consumption or for export to countries other than the United States, should be considered in arriving at the foreign value of imported merchandise",

and on page 54 the same thing is put shortly --

"warehouse or storage charges, and all other charges and expenses incident to placing the merchandise in condition, duties ready for delivery to the United States."

And the decision Mr. Hooper was good enough to refer me to is the case of United States versus Livingston & Southard, which is found in Treasury Decisions, Volume 24, No. 21, Ninth Decisions, 1897, at page 47, and the situation there roughly was this, that the decision dealt with certain artificial limitations which the court laid down is set out at the foot of page 53 and on 54 where the judgment of the majority says:

"Not our statutory provisions but the Treasury. The special agents' reports and the brief of the Government seem to proceed upon the theory that the foreign value of the tobaccoes in question must be based upon sales or offers for sale in England for home consumption. It is our opinion that, under sole exception 402 (c), all unrestricted offers for sale, such as those in the case bar, in the principal markets of the country from which the merchandise is exported, whether for home consumption or for export to countries other than the United States, should be considered in arriving at the foreign value of imported merchandise."

"We therefore hold that, in determining foreign value of the rotoscopes here involved under said section 402(c), unrestricted sales and offers for sale of such rotoscopes in the principal markets of England for export to countries other than the United States are proper to be considered," and, as a matter of fact, the facts in this case show that there were sales of as many as six or more where the price was £50 less 40%, less 3-3/4% for cash, but there was a greater number of sales in lots of less than six and they went at £50 less 30%, less 3-3/4%, and the court found that within the meaning of the Statute that class was the class where there were sales in the usual wholesale quantity in the market and that the price which should govern the appraisal was the £50 less 30%, and not the lower price, which, in fact, was the price for the case of export as well as the higher price.

THE COMMISSIONER: What relation has that to anything before us ?

MR. KELLOCK: Only this, that Mr. Hooper's answer yesterday to your lordship apparently was that the United States would take the lowest price at which Japan, if Japan was the exporting country, would sell to any other country, but the effect of this decision is that while that may be taken into consideration it does not govern, what does govern is the language of the statute which says that it is the price "at which such or similar merchandise firstly is freely offered for sale to all purchasers in the principal markets

of the

We therefor hold th t, in determining foreign value of the cigarettes here involved under the mobile money, consideration should always be given to the price for sale of such cigarettes in the principal markets of England for export to countries other than the United States. We do consider that, as a matter of fact, the facts in this case show that there were sales of a many as six or more times the price was 650 less 40%, less 3-3/4% for cash, but there was a greater number of sales in lots of less than six and they went at 650 less 30%, less 3-3/4%, and the court found that within the meaning of the statute that class was the class where there were most in the usual wholesale quantity in the market and that the price which should govern the appraisal was the 650 less 30%, and not the lower price, which in fact, was the price for the case of export as well as the higher price.

THE COMMISSIONER: What relation has th t to anything before us ?

MR. KELLOGG: Only this, that Mr. Hooper's argument rest on the inevitable supposition that the United States would take the lowest price at which these, if there had the competitive country, would sell to any other country, but the effect of this decision is that while that may be taken into consideration it is not controlling, what does govern is the language of the statute which says that it is the price at which such or similar merchandise ordinarily is freely offered for sale to all purchasers.

country from which exported", secondly, "in the usual wholesale quantities", and thirdly "in the ordinary course of trade".

THE COMMISSIONER: Must be offered to all purchasers in the usual wholesale quantities.

MR. KEILOCK: This decision merely means that the phrase "all purchasers" includes not only domestic purchasers but export purchasers.

MR. McRUER: What they actually did was take the price at which the larger quantity of goods was offered for sale.

MR. KEILOCK: No, they didn't.

MR. McRUER: There was six in the one case and fewer in the other case.

MR. KEILOCK: They didn't take the larger quantity. That is exactly what they did not do, because the larger quantity was sold at the cheaper price. They determined what was the quantity which was the usual wholesale quantity and they took the price which governed on that.

MR. McRUER: No, that is the quantity in the country from which they are exported, and that was the larger quantity there.

MR. KEILOCK: No, it was the larger number of sales on the smaller quantity.

MR. McRUER: I meant the larger number of sales. They took the larger number of sales there.

MR. KEILOCK: Which was at the higher price.

MR. McRUER: Which was at the higher price; it would work the other way if it was at the lower price.

country (no doubt usually meaning "in the usual wholesale quantities", and thirdly "in the ordinary course of trade".

THE COMMISSIONER: Must be offered to all purchasers in the usual wholesale quantities.

MR. MILLOCK: This decision merely means that the phrase "all purchasers" includes not only domestic purchasers but export purchasers.

MR. MORDEN: What they actually did was take the price at which the larger quantity of goods was offered for sale.

MR. MILLOCK: No, they didn't.

MR. MORDEN: There was six in the one case and fewer in the other case.

MR. MILLOCK: They didn't take the larger quantity. That is exactly what they did not do, because the larger quantity was sold at the cheaper price. They determined what was the country price was the usual wholesale quantity and they took the price which governed on that.

MR. MORDEN: No, that is the quantity in the country from which they are exported, and that was the larger quantity there.

MR. MILLOCK: No, it was the larger number of sales by the smaller country.

MR. MORDEN: I meant the larger number of sales they took the larger number of sales there.

MR. MILLOCK: Which was at the higher prices.

MR. KELLOCK: It might, but it doesn't go that far.

THE WITNESS: The information I tried to bring before his lordship yesterday was that the invoice, or fair market value certified to on the United States invoice may be lower than that accepted by the Canadian Customs Department.

BY MR. KELLOCK: Q. Of course, your answer was not dealing with any comparison between the United States and Canada? A. That was my original statement. I think you will find it there.

Q. Well, we will see. A. Then, I became involved in the working out of the regulation.

Q. I don't think your answer was given in that connection. At the foot of page 12016 my friend said:

"Mr. McRuer: The next is a statment of imports for consumption into the United States of silk fabrics from Japan", and his lordship said --

"Q. Silk or artificial silk? A. Silk fabrics.

MR. McRUER: It gives the rates of duty prevailing and the totals are given for 1932, 1933, 1934, 1935 and two months of 1936.

THE COMMISSIONER: That will be Exhibit 890", and it goes on and my friend said:

"MR. McRUER: Now, my lord, with reference to the Habutai silk correspondence", and he goes into that.

Then, you said, Mr. Hooper,--

"On the foreign export selling price to any other countries"-- A. Where is that?

Q. Perhaps I should read the whole thing.

"Mr. McRUER: Now, my lord, with reference to the

MR. KNILOCK: It might, but it doesn't go that

THE WITNESS: The information I tried to bring

before his lordship yesterday was that the invoice,

or fair market value certified to on the United States

invoice may be lower than that accepted by the Canadian

Customs Department.

BY MR. KNILOCK: Q. Of course, your answer was

not dealing with any comparison between the United

States and Canada? A. That was my

original statement. I think you will find it there.

Q. Well, we will see. A. Then, I became

involved in the working out of the regulation.

Q. I don't think your answer was given in that

connection. At the foot of page 12016 my friend said:

"Mr. Hooper: The next is a statement of imports

for consumption into the United States of silk

fabrics from Japan", and his lordship said --

"Q. Silk or artificial silk? A. Silk fabrics.

MR. MONDER: It gives the rates of duty prevailing,

and the totals are given for 1928, 1929, 1934, 1

and two months of 1936.

THE COMMISSIONER: That will be Exhibit 800", and

goes on and my friend said:

"MR. MONDER: Now, my lord, with reference to the

imported silk correspondence", and he goes into th

that, you said, Mr. Hooper, --

"Q. Perhaps I should put the whole matter

"Mr. MONDER: Now, Mr. LAVY, with reference to Mr.

--" A. Where is that?

Q. Perhaps I should put the whole matter.

"Mr. MONDER: Now, Mr. LAVY, with reference to Mr.

"Habutai silk correspondence, the first exhibit was 703, there are here two additional letters, but first, Mr. Hooper, in respect to the importations into the United States, on what basis is the value for duty?" You said:

"On the foreign export selling price to any other countries. For example, if Japan was selling to the United States and they questioned the value for duty, investigation would be made in Japan as to the export selling price to any other foreign country, and if that export selling price was not lower than the selling price to the United States the value would be acceptable for duty purposes".

Then, the part I read to you before --

"BY THE COMMISSIONER: Q. Suppose there are different selling prices, half a dozen prices, do you take the lowest? A. Yes, provided the selling price to the United States was not lower than the lowest to any other foreign country."

THE COMMISSIONER: That is where your correction comes in?

THE WITNESS: Yes. Of course, I had in mind we always talk of similar quantities.

BY MR. KELLOCK: Q. What you had in mind was not on the record? A. No, it is not there, but in any investigation we take similar quantities, but that can be noted now, and it was a comparison between the Canadian and American values for duty.

Q. I was dealing with the United States appraisal. Now, Mr. Hooper, I would like to refer you to exhibit

"Hubert silk correspondence, the first exhibit was 705, there are here two additional letters, but first, Mr. Hooper, in respect to the importations into the United States, on what basis is the value for duty?" You said:

"On the foreign export selling price to any other countries. For example, if Japan was selling to the United States and they questioned the value for duty, investigation would be made in Japan as to the export selling price to any other foreign country, and if that export selling price was not lower than the selling price to the United States the value would be acceptable for duty purposes".

Then, the part I read to you before --

MR. THE COMMISSIONER: Q. Suppose there are different selling prices, half a dozen prices, do you the lowest? A. Yes, provided the selling price to the United States was not lower than the lowest to any other foreign country."

THE COMMISSIONER: That is where your correct question is.

THE WITNESS: Yes. Of course, I had in mind we always talk of similar quantities.

BY MR. MONTGOMERY: Q. What you had in mind was not on the record? A. No, it is not there, but in any investigation we take similar quantities, but that was not noted now, and it was a comparison between the foreign and American value for duty.

Q. I see dealing with the United States [illegible]

804; have you that before you? A. No.

THE COMMISSIONER: What is that?

MR. KELLOCK: 804, that is the summary, my lord, of the tariff rates on cotton yarns.

THE COMMISSIONER: The history.

MR. KELLOCK: It is really the history but it is headed summary.

THE COMMISSIONER: It goes back to 1907.

MR. KELLOCK: Yes, my lord, and at the top of that under singles yarns you have, Mr. Hooper, yarns coarser than 40's; then, you give the rates which prevailed in 1907 and 1922. A. Yes.

Q. Then, your next heading is yarns 40's or finer, and in 1907 you say free throughout? A. Yes.

Q. Then, commencing with the 17th of February, 1928 you show various rates of duty? A. Yes.

Q. Now, is it not a fact that there is or are considerable imports of cotton yarns, 40's and finer, since the 17th of February, 1928, which are duty free?

THE COMMISSIONER: Since when, Mr. Kellock?

MR. KELLOCK: Since -- well, the date that is on the exhibit, exhibit 804, the 17th of February, 1928.

THE COMMISSIONER: Where is that date to be found though? Where is that date on the exhibit?

MR. KELLOCK: Just about four or five lines from the top, under the heading yarns, 40's or finer.

THE COMMISSIONER: I don't see any date there, yarns, 40's and finer?

904; have you that before you? A. No.

THE COMMISSIONER: What is that?

MR. KELLOCK: 904, that is the summary, my lord, of the tariff rates on cotton yarns.

THE COMMISSIONER: The history.

MR. KELLOCK: It is really the history but it is headed summary.

THE COMMISSIONER: It goes back to 1907.

MR. KELLOCK: Yes, my lord, and at the top of that under singles yarns you have, Mr. Hooper, yarns coarser than 40's; then, you give the rates which prevailed in 1907 and 1928. A. Yes.

Q. Then, your next heading is yarns 40's or finer, and in 1907 you say free throughout?

A. Yes.

Q. Then, commencing with the 17th of February, 1928 you show various rates of duty? A. Yes.

Q. Now, is it not a fact that there is or was considerable imports of cotton yarns, 40's and finer, since the 17th of February, 1928, which are duty free

MR. KELLOCK: Since -- well, the date that is on the exhibit, exhibit 904, the 17th of February, 1928

thought? Where is that date on the exhibit?

MR. KELLOCK: Just about four or five lines from the top, under the heading yarns, 40's or finer.

THE COMMISSIONER: I don't see any date there yarns, 40's and finer?

MR. KELLOCK: Under that there is 1907 and then the next date, the 17th of February, 1928.

THE COMMISSIONER: Just a minute, Mr. Kellock; now then, we were not looking at the same sheet. Just a minute now till I get your question. Now, what is the point?

MR. KELLOCK: Your lordship sees that is all under the heading of yarns, 40's and finer.

THE WITNESS: No, I drew that to Mr. McRuer's attention at that time, and I think it is in the record, that they had made the heading far too prominent, and that it should stop after 1907 because on the 17th of February, 1928 you take in three different classes of yarns; that does not mean 40's and finer all the way down.

Q. Then, just look at the sentence you have at the foot of that paragraph --"On 17th September 1930, the above three classes were grouped together in Item 522 and made dutiable at"-- various rates? A. Yes.

Q. Now, that would appear to indicate that 40's or finer are dutiable since the 17th of September, 1930 at those rates that are set out. My question is, is it not a fact that since the 17th of September, 1930 there is quite a bit of yarns 40's or finer imported duty free? A. Yes.

Q. Now, Mr. Hooper, I prepared a table; would you be good enough to look at that?

THE COMMISSIONER: Let us clear that up; you say that is since when?

MR. KELLOCK: Under that there is 1907 and then the next date, the 17th of February, 1928.

THE COMMISSIONER: Just a minute, Mr. Kellock; now then, we were not looking at the same sheet. Just a minute now till I get your question. Now, what is the point?

MR. KELLOCK: Your Lordship sees that is all under the heading of years, 40's and finer.

THE COMMISSIONER: Yes, I see that, Mr. Hooper's attention at that time, and I think it is in the room that they had made the heading far too prominent, and that it should stop after 1907 because on the 17th of February, 1928 you take in three different classes of years; that does not mean 40's and finer all the way down.

Q. Then, just look at the sentence you have at the foot of that paragraph --"On 17th September 1928, the above three classes were grouped together in Item 528 and made dutiable at"-- various rates? A. Yes.

Q. Now, that would appear to imply -- the 40's or finer are dutiable since the 17th of September, 1928 at those rates that are set out. My question is, is it not a fact that since the 17th of September, 1928 there is quite a bit of years 40's or finer imported duty free? A. Yes.

Q. Now, Mr. Hooper, I prepared a table; would you be good enough to look at that?

THE COMMISSIONER: Let us clear that up; you want it shown first?

MR. KELLOCK: Since 1930, my lord.

THE COMMISSIONER: Quite a number of these yarns here?

MR. KELLOCK: 40's and finer, imported duty free, and I prepared a statement, which might be attached to the statement, 804 -- Mr. Hooper says it is correct -- showing what the situation is.

THE COMMISSIONER: Have you a copy?

MR. KELLOCK: Yes, my lord.

THE COMMISSIONER: What do these figures represent?

MR. KELLOCK: They are pounds, my lord. That should have been made clear.

THE COMMISSIONER: The question is under what item of the tariff are they made free.

MR. KELLOCK: The item, my lord --

THE COMMISSIONER: Oh, 522-D.

THE WITNESS: Yes, my lord.

Q. They are not contained in exhibit 804? A. No.

Q. How are they left out? A. The same as I pointed out yesterday in respect to fabrics; these items were not considered necessary in the work that Mr. McRuer was dealing with.

MR. KELLOCK: There is over three million pounds brought in in 1935.

MR. McRUER: 40's or finer?

MR. KELLOCK: 40's or finer.

MR. McRUER: They are not made here.

MR. KELLOCK: Of course they are.

MR. McRUER: Well, Wabasso said they stopped

MR. KELLOCK: Since 1920, my lord.

THE COMMISSIONER: Quite a number of these years.

MR. KELLOCK: 40's and finer, imported duty free and I prepared a statement, which might be attached to the statement, 804 -- Mr. Hooper says it is correct -- showing what the situation is.

THE COMMISSIONER: Have you a copy?

MR. KELLOCK: Yes, my lord.

THE COMMISSIONER: What do these figures represent?

MR. KELLOCK: They are pounds, my lord. That should have been made clear.

THE COMMISSIONER: The question is under what item of the tariff are they made free.

MR. KELLOCK: The item, my lord --

THE COMMISSIONER: Ib, 210-3.

THE WITNESS: Yes, my lord.

Q. They are not contained in exhibit 804?

A. No.

Q. How are they left out? A. The same as I pointed out yesterday in respect to fabrics; these items were not considered necessary in the work that Mr. Hooper was dealing with.

MR. KELLOCK: There is now three million pounds brought in in 1925.

MR. MORDER: 40's or finer?

MR. KELLOCK: 40's or finer.

MR. MORDER: They are not made here.

MR. KELLOCK: If yours, they are.

MR. [illegible]: [illegible]

making them.

THE COMMISSIONER: Mr. McRuer, this is part of exhibit 804.

MR. McRUER: Have you got a copy of that, Mr. Kellock?

MR. KELLOCK: Mr. Hooper has one. Then, I want to refer you for a minute to exhibit --

THE COMMISSIONER: Now, do you intend to show insofar as these particular cotton yarns are concerned that they ought not to be duty free.

MR. KELLOCK: No, I am merely showing, my lord, that the original exhibit was incomplete.

THE COMMISSIONER: I mean to say, that is your purpose?

MR. KELLOCK: Yes, that they are duty free and they do come in and have come in in these quantities.

THE COMMISSIONER: And that they compete with yarns made here?

MR. KELLOCK: Yes.

MR. McRUER: Are you making that as a statement that these yarns are mercerized and made here?

MR. KELLOCK: That is my understanding.

MR. McRUER: These are brought in for mercerizing here.h

MR. KELLOCK: That is what it says.

MR. McRUER: Do you say these yarns are made here in commercial quantities?

THE COMMISSIONER: Under the item they are described as"mercerized, imported by manufacturers from United Kingdom", and the second item is "for mercerizing".

MR. KELLOCK: So is the third.

MR. McRUER: Is my friend making it as a statement that these yarns are made here and sold generally to the trade?

MR. KELLOCK: I am instructed that the Canadian industry spins up to counts 120.

MR. McRUER: I know, but are you saying they do it commercially?

MR. KELLOCK: I am not saying anything more at the moment than what my instructions are and that is that they do compete, that is, the imports on the sheet which has just gone in to correct exhibit 804, they do compete with the Canadian product.

THE COMMISSIONER: That will be a matter of argument.

MR. KELLOCK: The primary purpose of putting it in is to show that the exhibit does not tell the whole story.

THE WITNESS: You mean in addition to the information shown on 804. There is nothing wrong with 804 as it stands.

Q. I think, Mr. Hooper, if you put it that way, if I was reading 804, and I did not know any better, I would think all yarns,40's or finer, were dutiable but that isn't the case by reason of the other items in the tariff under which they may come in duty free for certain purposes; would you agree with me?

A. Yes.

Q. Alright, my friend doesn't, but I only want your answer.

MR. KELLOCK: So is the third.

MR. MERCER: The by trained packing is as a stand-
ard that these pieces are made here and sold generally
to the trade?

MR. KELLOCK: I am instructed that the Canadian
industry spins up to counts 140.

MR. MERCER: I know, but are you saying they do
it commercially?

MR. KELLOCK: I am not saying anything more at
the moment than what my instructions are and that is
that they do compete, that is, the imports on the
sheet which has just gone in to correct exhibit 204,
they do compete with the Canadian product.

THE COMMISSIONER: That will be a matter of
argument.

MR. KELLOCK: The primary purpose of putting it
in is to show that the exhibit does not tell the
whole story.

THE WITNESS: You mean in addition to the infor-
mation shown on 204. There is nothing wrong with 204
as it stands.

A. I think, Mr. Cooper, if you put it that way,
if I was reading 204, and I did not know any better,
I would think all yarns,40's or finer, were dutiable
but that isn't the case by reason of the other items
in the tariff under which they may come in duty free
for certain purposes; would you agree with me?

A. Yes.

A. Although my friend Mr. Mercer, and I only read
your answer.

MR. McRUER: I am not disagreeing with you. I don't know what you are talking about.

MR. KELLOCK: Alright, I don't care either. I want to come to exhibit 808.

THE COMMISSIONER: The customs duties now in force.

MR. KELLOCK: On real silk.

THE COMMISSIONER: The ones now in force?

MR. KELLOCK: Yes, since the 2nd of May last. Mr. Hooper, in examining you on that exhibit my friend used the word "protection" as synonymous with duty rates as he did in connection with some other exhibits. I wanted to ask you this, is it not so that the Canadian manufacturer of real silk, the article that is dealt with in this exhibit, has to pay duty on the machinery that he buys for the purpose of fabricating that silk? A. Yes.

BY THE COMMISSIONER: Q. That is machinery he buys outside the country? A. Yes.

BY MR. KELLOCK: Q. As between the Canadian manufacturer and the American manufacturer the Canadian pays more for his machinery by reason of the duty? A. The manufacturer setting up in business now would, yes. At one time there was a drawback.

Q. I am speaking of the existing situation because this exhibit is as of May 2, 1936.
A. I don't know how many of the present manufacturers paid duty without a drawback and how many of the present manufacturers got a drawback of duty paid on machinery.

MR. HOOPER: I am not disagreeing with you. I don't know what you are talking about.

MR. [illegible]: I don't know either. I want to come to exhibit 208.

THE COMMISSIONER: The customs duties now in force.

MR. KERLOCK: On real silk.

THE COMMISSIONER: The ones now in force?

MR. KERLOCK: Yes, since the end of my last.

Mr. Hooper, in examining you on that exhibit my friend used the word "protection" as synonymous with duty rates as he did in connection with some other exhibits. I wanted to ask you this, is it not so that the Canadian manufacturer of real silk, the article that is dealt with in this exhibit, has to pay duty on the machinery that he buys for the purpose of fabricating that silk? A. Yes.

BY THE COMMISSIONER: Q. That is machinery he buys outside the country? A. Yes.

BY MR. [illegible]: Q. [illegible] the Canadian manufacturer and the American manufacturer the Canadian pays more for his machinery by reason of the duty? A. The manufacturer setting up in business now would. Yes. At one time there was a drawback.

Q. I am speaking of the existing situation because this exhibit is as of May 2, 1926.

A. I don't know but may or the [illegible] manufacturers would duty without a [illegible] and [illegible] present manufacturers get a [illegible] of duty paid on machinery?

Q. You mean there is a drawback to-day?
A. There was a drawback, and some of the manufacturers received a drawback of the duties paid on machinery.

BY THE COMMISSIONER: Q. When was the drawback abolished? A. About two years ago, my lord.

Q. You can find out more definitely? A. Yes.

BY MR. KELLOCK: Q. And that increased cost, that, of course, goes into the Canadian manufacturer's overhead, Mr. Hooper? A. Yes.

Q. Doesn't the same apply to a good deal of the supplies which the Canadian manufacturer has to buy?
A. Well, the Canadian manufacturer may not buy those supplies from the United States, I don't know. The duties may be just as high for similar goods entered into consumption in the United States.

Q. I mean supplies that are comparable to those of the American manufacturer on which he does not pay duty the Canadian manufacturer does pay duty?
A. There are some.

Q. There are some? A. Yes.

Q. Does the Canadian manufacturer in addition to the duty on his machinery have to pay a sales tax on it? A. On the machinery?

Q. Yes? A. At the present time, yes.

Q. These additional expenses all go into the Canadian manufacturer's overhead? A. Yes.

Q. So, in your opinion, Mr. Hooper, would it be right to say when you are considering the duty, the Canadian rates of duty on silk imported into Canada,

Q. You mean there is a drawback to-day?

A. There was a drawback, and some of the manufacturers received a drawback of the duties paid on machinery.

BY THE COMMISSIONER: Q. When was the drawback abolished? A. About two years ago, my lord.

Q. You mean that has been raised? A. Yes.

BY MR. KEMPTON: Q. And that increased cost, that, of course, goes into the Canadian manufacturer's overhead, Mr. Hooper? A. Yes.

Q. Doesn't the same apply to a good deal of the supplies which the Canadian manufacturer has to buy? A. Well, the Canadian manufacturer may not buy those supplies from the United States, I don't know. The duties may be just as high for similar goods entered into consumption in the United States.

Q. I mean supplies that are comparable to those of the American manufacturer on which he does not pay duty the Canadian manufacturer does pay duty?

A. There are some.

Q. There are some? A. Yes.

Q. Does the Canadian manufacturer in addition to the duty on his machinery have to pay a sales tax on it? A. On the machinery?

Q. Yes? A. At the present time, yes.

Q. These additional expenses all go into the Canadian manufacturer's overhead? A.

Q. So, in your opinion, Mr. Hooper, would it be right in any case you are considering the duty, the Canadian rates at duty on pipe imported into Canada,

that the duty is the same thing as protection to the Canadian manufacturer if he has these other expenses to pay which his American rival doesn't?

THE COMMISSIONER: Are you not getting into argument? When does duty become protection? For instance, what do you mean by protection when you are using the word?

MR. KELLOCK: I am attempting to correct the usage my friend made.

THE COMMISSIONER: I will hear what he means. What do you mean?

MR. KELLOCK: All I am dealing with is the use which my friend made of the word, because in connection with this exhibit which sets out certain duty rates my friend said protection, and I am merely pointing out through the witness that it is not synonymous with protection in this case.

THE COMMISSIONER: What is your meaning of it? You say it is not synonymous with it. What do you mean by protection? Do you mean prohibition?

MR. KELLOCK: No.

THE COMMISSIONER: What do you mean? Do you mean it is less protection when you bring in these factors?

MR. KELLOCK: Yes.

MR. McRUER: Mr. Watson said he thought it should be prohibition.

MR. KELLOCK: Well, perhaps the Commission heard that. Now, I want to refer you to exhibit 817

that the duty is the same thing as protection to the Canadian manufacturer if he has these other expenses to pay which his American rival doesn't?

THE COMMISSIONER: Are you not getting into argument? When does duty become protection? For instance, what do you mean by protection when you are using the word?

MR. KNILOCK: I am attempting to correct the usage my friend made.

THE COMMISSIONER: I will hear what he means. What do you mean?

MR. KNILOCK: All I am dealing with is the use which my friend made of the word, because in connection with this exhibit which sets out certain duty rates my friend said protection, and I am merely pointing out through the witness that it is not synonymous with protection in this case.

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MR. KNILOCK: No.

THE COMMISSIONER: What do you mean? Do you mean it is less protection when you bring in these rates?

MR. KNILOCK: Yes.

MR. McTURK: Mr. Watson said he thought it amounts to prohibition.

MR. KNILOCK: Perhaps the Commissioner

THE: No, I mean by what you by saying 40%

which is the pamphlet containing section six of the Customs Act and you pointed out to his lordship how the checking of the invoice values would be done under that section, and under section 36 of the Customs Tariff Act.

THE COMMISSIONER: Well, section six is of the Customs Tariff.

THE WITNESS: And 36 is of the Customs Act.

BY MR. KEILOCK: Q. Now, you pointed out that the department had a staff in Europe for the purpose of investigation; do you recall that? A. We have three investigators in Europe, yes.

Q. Three investigators in Europe and none in Japan at all? A. None in Japan.

Q. So there is no way of investigating the bona fides of any Japanese invoice price?

A. Of any certified fair market values?

Q. Yes, that is what I mean? A. No.

Q. You have no way of checking that at all; now, from Europe how many invoices of textiles would there be in a week approximately; have you any idea?

A. Of all textiles?

Q. Yes. A. I haven't the faintest idea.

Q. A thousand? A. I would not even try to guess.

Q. Alright, there are a good many, are there not?

A. Yes.

Q. It is not possible for three men to inves-

which is the pamphlet containing section six of the Customs Act and you pointed out to his lordship how the checking of the invoice values would be done under that section, and under section 36 of the Customs Tariff Act.

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Q. Three investigators in Europe and none in Japan at all? A. None in Japan.

Q. So there is no way of investigating the bona fides of any Japanese invoice price?

A. Of any certified fair market values?

Q. Yes, that is what I mean? A. No.

Q. You have no way of checking that at all; now, from Europe how many invoices of textiles would there be in a year approximately, have you any idea?

A. Of all textiles?

Q. Yes. A. I haven't the faintest idea.

Q. A thousand? A. I would not even try to guess.

Q. Alright, there are a good many, are there not?

A. Yes.

Q. It is not possible for three men to investi-

tigate each one of these invoices, is it?

A. Oh my goodness, no.

Q. Under what circumstances do you make an investigation, just when there is a complaint?

A. When there is a complaint or when I notice an invoice --

Q. That looks suspicious? A. That looks suspicious. The invoices are all checked by two men in certain circumstances in the department.

Q. Yes; will you tell me the circumstances?

A. Then they may be sent out for investigation in any foreign country or in Great Britain.

Q. Well, these three investigators, do they travel all around or are they located --

A. Their head office is in London. They travel all over Europe.

Q. Now, may I refer you to exhibit 820. That deals with cotton warp yarn, number 10's singles, and your attention was drawn by my friend to the two dates at the foot of the first page, July 12th and August 16th, 1933, and in that period the United States selling price rose from 25 cents a pound to 30.5; you see those figures? A. Yes.

Q. Now, I understood you to tell my friend that that was due entirely to the processing tax which was imposed in July, 1933? A. No, I have said that 4½ cents would be processing tax.

Q. Well, are you saying now that of that 5.5 cents 4½ cents is due to the processing tax?

A. I would say that now, yes.

eighty-odd one of these invoices, is it?

A. Oh my goodness, no.

Q. Under what circumstances do you make an investigation, just when there is a complaint?

A. When there is a complaint or when I notice an invoice --

Q. That looks suspicious? A. That looks suspicious. The invoices are all checked by two men in certain circumstances in the department.

Q. Yes; will you tell me the circumstances?

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Q. Well, these three investigators, do they travel all around or are they located --

A. Their head office is in London. They travel all over Europe.

Q. Now, may I refer you to exhibit 820. That deals with cotton warp yarn, number 10's singles, and your attention was drawn by my friend to the two dates at the foot of the first page, July 13th and August 10th, 1935, and in that period the United States selling price rose from 25 cents a pound to 30.5; you see those figures? A. Yes.

Q. Now, I understood you to tell my friend that that was due entirely to the processing tax which was imposed in July, 1935? A. No, I have said that the ~~4~~ cents would be processing tax.

Q. Well, are you saying now that of that 5.5 [illegible] is due to the processing tax?

A. I would say that more, yes.

Q. Well, you notice that in the column to the left of this the selling price of raw cotton, spot price per pound, raw cotton, dropped three cents per pound? A. Yes.

Q. You would have to offset that, wouldn't you? A. You would have -- the increase in the processing tax is 4½ cents and on the N.R.A. which came into effect on the 17th of July it was approximately 3½ cents. That would be 8 cents, wouldn't it?

Q. No, I am not following you. A. Processing tax 4½, increase in wages under the N.R.A. was 3½; that is 8 cents.

Q. And the raw cotton is down three? A. Down three; that makes it to 5½ cents which is shown there.

Q. Then-- A. Approximately; you cannot just work that thing out exactly.

Q. It isn't due entirely to the processing tax, it is due to the increase in labour cost as well? A. Oh yes, 3½ cents.

Q. You say you cannot work that out exactly? A. No, you cannot because the anticipated rise in wages and the processing tax, that affected the selling prices back in June.

Q. You cannot make exact comparisons. Now, would you look at 822 which deals with cotton warp yarn, 30's, twisted. You have a column at the outside, at the left, which shows the date and the next column is headed "raw cotton, spot price per pound". Now, I want to ask you, Mr. Hooper, if the

Hooper

Q. Well, you notice that in the column to the
left of this, the selling price of your cotton, most
price per pound, raw cotton, dropped three cents per
pound?

A. Yes.

Q. You would have to admit that, wouldn't you?

A. You would have -- the increase in the processing
tax is 4½ cents and on the N.R.A. which came into
effect -- the 17th of July it was approximately 3½
cents. That would be 8 cents, wouldn't it?

Q. Yes, I am not talking about

A. Pro-
ducing the 8, increase in wages under the N.R.A.
was 3½; that is 8 cents.

Q. And the raw cotton is down three?

A. Down three; that makes it to 5½ cents which is
above there.

Q. Then--

A. Approximately; you cannot
just work that thing out exactly.

Q. It isn't due entirely to the processing
tax, it is due to the increase in labour cost as well?

A. Oh yes, 3½ cents.

Q. You say you cannot work that out exactly?

A. No, you cannot because the anticipated rise in
wages and the processing tax, that effected the
selling prices back in June.

Q. You cannot make exact comparisons. Now,
would you look at [illegible] with cotton [illegible]
[illegible], Mr. Hooper. You have a column at the
[illegible], at the left, which shows the [illegible]
[illegible] in Canada from cotton, and which [illegible]
[illegible]. Now, I want to ask you, Mr. Hooper, if

raw cotton which you show in that column at a certain price is the actual grade or quality of raw cotton that is used in making the articles dealt with in that exhibit, number 30's twisted cotton warp yarn ?

A. No.

Q. That is only a base price, isn't it ? A. It is only a base price.

Q. And the description of cotton which it covers is middlings, grey, 7/8" staple ? A. That is right.

Q. There are other grades of cotton higher and lower ? A. Yes.

Q. There are a great many staple lengths ?

A. Yes.

Q. The prices of grades vary and the prices of the staple vary ? A. Right.

Q. And they do not vary in the same way absolutely that your raw cotton base price varies; is that right ? A. That is right.

Q. So that you might have a particular grade of raw cotton in your column there going one way a cent a pound and you might find another grade and another length of staple showing a premium in the same period of perhaps a cent or more ? A. No, I would not go that far.

Q. Well, you might have one going down and the other going up slightly ? A. Yes, you would have a difference, but it is my opinion and also it was the opinion of the Dominion Textile Company and the cotton people that this was a fair way to show

raw cotton which you show in that column at a certain price is the actual grade or quality of raw cotton that is used in making the articles dealt with in that column, namely, "A" Cotton, which you spoke of ?

A. No.

Q. That is only a base price, isn't it ? A. It is only a base price.

Q. And the description of cotton which it covers is middlings, grey, 7/8" staple ? A. That is right.

Q. There are other grades of cotton higher and lower ? A. Yes.

Q. There are a great many staple lengths ?

A. Yes.

Q. The prices of grades vary as the prices of the staple vary ? A. Right.

Q. And they do not vary in the same way absolutely that your raw cotton base price varies; is that right ? A. That is right.

Q. So that you might have a particular grade of raw cotton in your column there going one way a cent a pound and you might find another grade and another length of staple moving in the same period of perhaps a cent or more ? A. No, I would not go that far.

Q. Well, you might have one going down and the other going up slightly ? A. Yes, you would have a difference, but it is my opinion and also it was the opinion of the Dominion Textile Company and

mill spread.

Q. Well, Mr. Hooper, you cannot predicate anything more to it than this, that that raw cotton price shows a trend? A. Yes.

THE COMMISSIONER: Shows what?

MR. KELLOCK: A trend. You cannot work across this sheet, exhibit 822, and say that on January 6, 1930 raw cotton was 17.50 and the Canadian price was so much on number 30's twisted yarn that does not use this grade of raw cotton at all, and say the next day this grade of raw cotton goes down to 17.48, and that there should be the same drop reflected in the Canadian selling price; you cannot say that, can you?

(page 12155 follows)

mill spread.

Q. Well, Mr. Hooper, you cannot predicate anything more to it than this, that that raw cotton price always varies?

A. Yes.

THE COMMISSIONER: Above what?

MR. KNILLOCK: A trend. You cannot work across this sheet, exhibit 888, and say that on January 6, 1880 raw cotton was 17.50 and the Canadian price was so much on number 30's twisted yarn that does not use this grade of raw cotton at all, and say the next day this grade of raw cotton goes down to 17.48, and that there should be the same drop reflected in the Canadian selling price; you cannot say that, can you?

(page 12120 follows)

A. It follows more or less closely sometimes.

Q. It only shows the trend? A. That was the basis on which the price of cotton yarns was computed. Whether it was right or wrong in this case, it was all right in the other.

Q. You cannot blame me for that. I am saying that you cannot predicate anything more on this Exhibit than a trend. You cannot work it out right across the page. A. You can use your mill spread alone.

Q. This does not use mill spread. You do not suggest that the manufacturer's selling price varies from time to time with the daily fluctuations in raw cotton? A. In the United States?

Q. And Canada or any place. A. Oh yes, other places.

Q. It does in the United States? A. Yes.

Q. What about Canada? A. You will notice they only put out price lists periodically.

Q. The answer is that in Canada they do not. Is that it ? A. The market may not be as sensitive here as in the United States. There is quite a bit of competition there, and they have to follow the other fellow's price.

Q. You suggest that the manufacturer's selling price varies from time to time with the fluctuations in raw cotton? A. In Canada?

Q. Yes. A. I do not think so.

Q. All right. Now I would ask you to look for a moment at Exhibit 842. It deals with cotton fabric 4.10 to the pound at least. A. Yes.

Q. On September 30, 1932, you show there

A. It follows more or less clearly therefrom.

Q. It only shows the trend? A. That was the basis on which the price of cotton yarns was computed. Whether it was right or wrong in this case, it was all right in the other.

Q. You cannot blame me for that. I am saying that you cannot predicate anything more on this Exhibit than a trend. You cannot work it out right across the page. A. You can see your mill spread alone.

Q. This does not see mill spread. You do not suggest that the manufacturer's selling price varies from time to time with the daily fluctuations in raw cotton? A. In the United States?

Q. And Canada or any place. A. Oh yes, very plenty.

Q. It does in the United States? A. Yes.

Q. What about Canada? A. You will notice they only put out price lists periodically.

Q. The answer is that in Canada they do not. Is that it? A. The market may not be as sensitive here as in the United States. There is quite a bit of competition there, and they have to follow the other fellow's price.

Q. You suggest that the manufacturer's selling price varies from time to time with the fluctuations in raw cotton? A. In Canada?

Q. Yes. A. I do not think so.

Q. All right. Now I would ask you to look for a moment at Exhibit 842. It deals with cotton yarns dated in the [illegible] Q. The-

Q. On September 30, 1942, you show there

the Dominion Textile selling price was $105.

A. Yes.

Q. And that prevailed right through to December 14, 1933, is that right? A. Maybe it is up to January 31, 1934, one date or the other.

Q. During that period, coming back to September 1930, the price of raw cotton was 7.25?

A. Yes.

Q. It went down to 6.15. A. Yes.

Q. And then up to 10.15? A. That is right.

Q. And there was no change in the selling price in that period at all; is that right?

A. Right.

Q. Now turn to Exhibit 827. Do you recall that? It was your Departmental Bulletin? A. Yes, a Departmental Letter.

Q. A Departmental Letter of April 7, 1932. It went into effect on that date, applicable to cotton grey goods, and it provided a basis for appraising these goods at a certain fixed valuation. It is not a fixed valuation, but at a certain valuation. The department only uses the term "fixed valuation" when speaking of values fixed by the Minister under section 43.

Q. It was 7 cents a pound for certain weights and certain conditions? A. That is right.

Q. And it did not matter about the invoice value?

A. No, provided the invoice value was higher. This is the minimum value.

Q. Now that departmental action --

THE COMMISSIONER: What was the action?

MR. ELLOCK: That was under section 36 subsection 2,

Hooper

the Dominion Textile selling price was $105.

A. Yes.

Q. And that prevailed right through to December 14, 1933, is that right? A. Yes, it is up to January 31, 1934, one date or the other.

Q. During that period, coming back to September 1930, the price of raw cotton was 7.25c

A. Yes.

Q. It went down to 6.15. A. Yes.

Q. And then up to 10.19? A. Yes, it was

Q. Now turn to Exhibit 827. Do you recall that? It was your Departmental Bulletin? A. Yes, a Departmental Letter.

Q. A Departmental Letter of April 7, 1932. It went into effect on that date, applicable to cotton grey goods, and it provided a scale for apprising these goods at a certain fixed valuation. It is not a fixed valuation, but at a certain valuation. The Department usually uses the term "fixed valuation" when speaking of values fixed by the Minister under sect 43.

Q. It was 7 cents a pound for certain weights and certain conditions? A. That is right.

Q. And it did not matter what the invoice value? A. No, provided the invoice value was higher than the statutory value.

Q. Now the [illegible] values --

[illegible]

Mr. [illegible] Then was the [illegible]

Mr. [illegible] Then was [illegible]

is not that correct, Mr. Hooper? A. Yes.

Q. And was the action of the department under that section due to the fact that American selling prices were below the cost of production at that time? A. Yes, sir.

BY THE COMMISSIONER: Q. That is below American costs? A. Yes, sir.

BY MR. KELLOCK: Q. And this action was to equalize selling prices in the United States and Canada so that a United States manufacturer could not dump into Canada? A. Yes, sir.

Q. While we are on that, Mr. Hooper, where the costs of production in two countries vary, comparing Canada and, say, the United States, or where the American manufacturer, as in this case, was selling below his cost of production, the Canadian manufacturer does not begin to get protection until action is taken to bring the American selling price up at least to the Canadian cost of production. Is that right?

THE COMMISSIONER: Please repeat the question.

BY MR. KELLOCK: Q. The question is, where you have a situation that called forth Exhibit 827, where the American manufacturer was selling his product below his cost of production, I say that the Canadian manufacturer does not begin to get any protection until some action is taken which brings the American selling price up to the Canadian cost of production to begin with. Is that clear?

A. The Canadian manufacturer does not begin to get any protection until the value of the foreign goods is brought up to a basis as provided for by

is not that correct, Mr. Hooper? A. Yes.

Q. And was the action of the department under that section due to the fact that American [illegible] at that time? A. Yes, sir.

BY THE COMMISSIONER: Q. That is below American cost? A. Yes, sir.

BY MR. [illegible]: Q. AM [illegible] speaking selling price in the United States and Canada so that a United States manufacturer could not [illegible]? A. Yes, sir.

Q. [illegible], Mr. [illegible], where the costs of production in two countries vary, comparing Canada and, say, the United States, or where the American manufacturer, as in this case, was selling below his cost of production, the [illegible] protection until action is taken to bring the American selling price up [illegible] cost of production. Is that right?

THE COMMISSIONER: Please repeat the question.

BY MR. [illegible]: Q. The question is, where you have a situation that called forth Exhibit 827, where the American manufacturer was selling his product below his cost of production, I say that the Canadian manufacturer does not begin to get any protection until some action is taken which brings the American selling price up to the Canadian cost of production to begin with. Is that clear?

A. The American manufacturer does not begin to get any protection until the value of the foreign [illegible]

law because that is what he is supposed to get in the first place. The Customs Tariff is based on a certain valuation.

Q. But I am speaking apart from the statutes or law. A. We do not make any comparison between a foreign cost of production and the Canadian cost of production, only when dealing with a case under section 43.

THE COMMISSIONER: I think you are really arguing something there, Mr. Kellock. Does it not depend upon the rate of duty? The rate of duty might be so high that it would still be protection even if the invoice price was lower than the foreign cost of production.

MR. KELLOCK: It really is arguable, my lord. My point was this, that up until a point where the foreign article sells here or can be brought in here to sell at a point at least equal to the Canadian cost of production, no matter whether you call it duty, fixed valuation, or anything else, the Canadian manufacturer gets no protection until that point is passed.

THE COMMISSIONER: I understand your argument.

MR. KELLOCK: It perhaps is arguable.

BY MR. KELLOCK: Q. That latter Bulletin continued in operation to September 5, 1933, is that right? A. Yes, that one or the subsequent one.

Q. I think that is the one. A. Bulletin 828 became effective on September 13, and stayed in effect until September 5, 1933.

Q. The date really does not matter. The note

the Canada Lumber Industry is supposed to act in the first place. The Canada Trust is based on a certain principle.

Q. But I am speaking apart from the statutes or law.

A. It is not only our principle, whether a foreign cost of production and the cost of production, only when dealing with a case under section 42.

MR. CONNOLLY: I think you are really arguing some thing there, Mr. Bellock. Does it not depend upon the rate of duty? The rate of duty might be so high that it would still be protection even if the foreign price was lower than the cost of production.

MR. ABBOTT: It really is arguable, my lord. My point was this, that on a fair - read where the foreign price would have to be lower in order to realize a profit at least equal to the valuation for protection. No matter how low you fall in duty, fixed valuation, or exchange rate, the Canadian manufacturer gets his protection until that point is passed.

MR. CONNOLLY: I understand your argument.

MR. ABBOTT: It seems to be arguable.

MR. CONNOLLY: Q. Your letter Exhibit 4 refers to varying in varying in proportion to the duty, is it? A. Yes, that was on the assumption one.

Q. I think that is the one. Mr. Bellock has taken effective on December 12, an August 10-after until September 5, 1924.

A. The time really does not matter. The main

I have is that cotton fabrics were appraised under this 827 until September 13, 1932, and then there was another which operated until September of the following year. A. Until September 13, 1932, and then there was another which operated until September 5, 1933.

Q. Now what is the reason for the cancellation of that letter of Bulletin and the method of appraisal under it in September 1933? Was it due to the fact that the American mills were then selling at about the normal selling price, which would include a reasonable profit?

A. The Bulletin or the values contained in that Bulletin were of no effect ~~until~~ after some time in July 1933, until it was cancelled. I will not give you the reason for its cancellation unless His Lordship so rules. I know why it was cancelled.

Q. I am not asking you that. I am asking you if its cancellation was due to the fact that the American mill selling price had come up to the point where the selling prices were at least equal to their cost of production or above that, involving a reasonable profit? A. They did come up above that, yes.

Q. Now I would ask you to go back to Exhibits 820 and 821 on that same subject matter. If you will look at Exhibit 821, on the 1st of August, 1931, the American mill spread was $3.83.

A. 3.83 cents or $3.83 a hundred.

Q. Yes, and on June 29, 1932, which is the next date, the mill spread was 4.12 cents, and

I have in the cotton futures were appraised under the cotton futures act, 1922, and have been one another sales processed until September 15, following year. Until November 15, 1922, and then there was another which operated until September 5, 1923.

Q. Now what is the reason for the cancellation of that letter of Bulletin and the method of appraisal under it in September 1923? Was it due to the fact that the American mills were then selling at about the normal selling price, which would indicate a reasonable profit?

A. The Bulletin or the values contained in the Bulletin were of no effect until after some time in July 1923, until it was cancelled. I will not give you the reason for its cancellation unless the Board asks for it. I know why it was cancelled.

Q. I am not asking you that. I am asking you if its cancellation was due to the fact that the American mill selling price had come up to the point where the selling prices were at least equal to their new [illegible] above cost, involving a reasonable profit? A. They did come up above that, yes.

Q. Now I would ask you to go back to Exhibits 820 and 821 on that same subject matter. If you will look at Exhibit 821, on the 1st of August, 1921, the American mill spread was 22.23.

A. [illegible] Yes.

Q. Yes, and on June 20, 1922, which is the next date, the mill spread was 4.12 cents, and

then when Exhibit 827 went into operation on April 7, 1932, that is the departmental letter providing for the basis of appraisal, which is in between those dates, Mr. Hooper? A. Yes.

Q. Now those mill spreads to which I have called your attention were mill spreads at a time when American mills were selling below their cost of production? A. Yes, sir.

Q. I take it from what answers you have just made, Mr. Hooper, that you do not suggest that if there is an absolute increase in mill spreads that that means the mills are enjoying a profit by reason of that increase. You can take those two dates, if you like. A. They are enjoying?

Q. A profit. A. I would not say that you could bring the word "profit" in there because their production may be down, and that may mean ultimate loss. They are receiving more money for their yarn.

Q. Yes, but it does not necessarily involve a profit? A. Taking into account the raw cotton they are receiving more money for their yarn but it does not necessarily involve a profit because their production may be down.

Q. Or there may be a lot of other factors? A. Yes.

THE COMMISSIONER: You say a whole lot of other factors. What other factors do you suggest?

BY MR. KELLOCK: Q. There may be decreased production. What else, Mr. Hooper?

A. Increase in sales tax on sample articles.

was when Monday the 7th day of March, 1932, that is the departmental letter providing for the basis of appraisal, which is in between those dates, Mr. Hooper? A. Yes.

Q. Now those mill agreements to which I have called your attention were mill agreements at a time when cotton was selling below 10 cents?

A. Yes, Sir.

Q. I take it from what answers you have just made, Mr. Hooper, that you do not suggest that if there is an absolute increase in mill agreements that that means the mills are enjoying a profit by reason of that increase. You can take those two dates, if you like. A. They are enjoying?

Q. A profit. A. I would not say that you could bring the word "profit" in there because their production may be down, and that may mean ultimate loss. They are receiving more money for their yarn.

Q. Yes, but it does not necessarily involve a profit? A. Taking into account the raw cotton they are receiving more money for their yarn but it does not necessarily involve a profit because their production may be down.

Q. Or there may be a lot of other factors?

A. Yes.

THE COMMISSIONER: You say a whole lot of other factors. What other factors do you suggest?

BY M. KELLOCK: Q. There may be decreased production. What else, Mr. Hooper?

A. Increase in sales in a single article.

Q. Anything else? Increased overhead for many reasons? A. Why would there be increased overhead?

Q. Let me put it this way, if I may answer His Lordship's question. Mill spread includes gross return to the manufacturer for his services over and above raw material the way you have prepared the costs? A. Yes, the way I have prepared them.

Q. And in mill spreads there is wages, and over that, cost and profit, if any. Is that right? A. Yes, that is right.

Q. Now when you have an absolute increase in mill spread, that might be due to increased wages or increased costs of any other nature. Is that right? A. Yes.

Q. It does not necessarily mean a profit, and the only way you can find out what it really does mean is by analyzing it. Is that right? A. That is right.

Q. And you have not done that? A. Well, the information before the court is that there hasbeen a decrease in wages and the mill spread has increased in many cases. So maybe it is up to your clients to show why there was an increase, not to ask me.

Q. Is that what you are putting over on me? A. I am suggesting something there.

THE COMMISSIONER: He says, do not ask him.

BY MR. KELLOCK: Q. Let me give you the converse of that on the same Exhibit, 821. Will you just turn over the page? The evidence is

Q. Anything else? Increased overhead for any reason? A. Why would there be increased overhead?

Q. Let me put it this way, if I may answer His Worship's question. Will spread include gross return to the manufacturer for his services over and above raw material the way you have prepared the costs? A. Yes, the way I have prepared them.

Q. And in mill spreads there is wages, and over that, cost and profit, if any. Is that right? A. Yes, that is right.

Q. Now when you have an absolute increase in mill spread, it might be due to increased wages or increased costs of any other nature. Is that right? A. Yes.

Q. It does not necessarily mean a profit, and the only way you can find out what it really does mean is by analyzing it. Is that right? A. That is right.

Q. And you have not done that? A. Well, the information before the court is that there has been a decrease in wages and the mill spread has increased in many cases. So maybe it is up to your clients to show why there was an increase, not to ask me.

Q. Is that what you are putting over on me? A. I am suggesting something there.

THE COMMISSIONER: He says, do not ask him.

BY MR. MILLOCK: Q. Let me give you the converse of that on the same Exhibit, sir, will you just turn over the page? The evidence is

that there was an increase in wages in April 1934. Is that right? A. An increase, yes, over 1933.

THE COMMISSIONER: I think the general recollection is that there was first a decrease of 10 per cent, and then back again to 5 per cent. Is that right?

MR. KELLOCK: That is right.

BY MR. KELLOCK: Q. On February 10, 1934, you show, Mr. Hooper, that the Canadian mill spread was 16.16, and on July 16, which would be after the increase in wages the spread went to 16.30? A. Yes.

Q. And then there was a uniform decrease until April 20, 1936, when there is a slight increase, but it never got back to the basis of February 10, 1934. A. Yes.

Q. All right. Now will you look at Exhibit 824 which deals with cotton warp yarn No.30's single. Will you look at the second page. On the last date, April 20, 1936, the Canadian selling price was per 100 pounds, $35, and the American selling price in Canadian funds was $30.67. A. That is right.

Q. Would you be good enough to compute what the increase in the Canadian price was over the American price on that date, or perhaps you would take my figures. I compute it at 18.4 per cent. A. That is right.

THE COMMISSIONER: About one-sixth.

THE WITNESS: 18.4 would be 67 cents.

THE COMMISSIONER: You are a little high in your figures, I think, Mr. Kellock.

that there was an increase in wages in April 1924.

Is that right? A. An increase, yes, over 1922.

THE COMMISSIONER: I think the general resolution is that there was first a decrease of 10 per cent, and then back again to 5 per cent. Is that right?

MR. MELLOOS: That is right.

BY MR. MELLOOS: Q. On January 10, 1924, you show, Mr. Hooper, that the Canadian mill spread was 16.16, and on July 16, which would be after the increase in wages the spread went to 16.80?

A. Yes.

Q. And then there was a uniform decrease until April 20, 1926, when there is a slight increase, but it never got back to the basis of February 10, 1924. A. Yes.

Q. All right. Now will you look at Exhibit 664 which deals with matters only per Mr.Hoy's circular. Will you look at the second page. On the last date, April 20, 1926, the Canadian selling price was per 100 pounds, $25, and the American selling price in Canadian funds was $20.67. A. That is right.

Q. Would you be good enough to compute what the increase in the Canadian price was over the American price on that date, or perhaps you would take my figures. I compute it at 18.4 per cent.

A. That is right.

THE COMMISSIONER: About six-sixth.

MR. MELLOOS: 18.4 would be 4/5 sixth.

THE COMMISSIONER: You are a little high in your figures, I think, Mr. Mellows.

MR. KELLOCK: All right, I shall be glad to be corrected.

THE COMMISSIONER: It is about one-sixth or a little less.

THE WITNESS: 15 per cent.

THE COMMISSIONER: Do not forget that that 67 cents makes a difference. If you said 16 per cent it would be about it.

BY MR. KELLOCK: Q. What that means is this. Is this a fair way of putting it, that regardless of what the tariff was it only costs the Canadian consumer 16 per cent more for that article at that time. Would you say that is a fair way of putting it? A. Yes, it cost him less than 15 per cent more.

Q. Yes, and unless my mathematics are weak again, the highest figure I see on that page is 24 per cent, and it goes as low as 5 per cent. Now that means that that is all it costs the consumer, but it also means that the Canadian mills with respect to this particular fabric at least did not use all the protection that was available, is that right? A. That is right.

Q. The other Exhibits speak for themselves.

THE COMMISSIONER: Are you implying, Mr. Kellock, that the Canadian mills do not need it?

MR. KELLOCK: No. As regards the United States we may not need it, but as against Japan we do, and of course if United States starts selling below the cost of production again we shall need it.

THE COMMISSIONER: You will need another Bulletin.

MR. HALLOCK: All right, I shall be glad to be corrected.

THE COMMISSIONER: It is about one-sixth or a little less.

THE WITNESS: 15 per cent.

THE COMMISSIONER: Do not forget that the 4.67 cents makes a difference. If you said 16 per cent it would be about it.

BY MR. HALLOCK: Q. What that means is this. Is this a fair way of putting it, that regardless of what the tariff was it only costs the Canadian consumer 15 per cent more for that article at that time. Would you say that is a fair way of putting it? A. Yes, it cost him less than 15 per cent more.

Q. Yes, and unless my mathematics are weak again, the highest figure I see on that page is 24 per cent, and it goes as low as 5 per cent. Now that means that that is all it costs the consumer, but it also means that the Canadian mills with respect to this particular fabric at least did not use all the protection that was available, is that right? A. That is right.

Q. The other Exhibits speak for themselves.

THE COMMISSIONER: Are you implying, Mr. Hallock, that the Canadian mills do not need it?

MR. HALLOCK: No. As regards the United States we may not need it, but as against Japan we do, and of course if United States mills ship into the cost of production again we shall need it.

THE COMMISSIONER: You will need another bulletin.

BY MR. KELLOCK: Q. I want to ask you again about Exhibit 824, Mr. Hooper. You take one date in 1936, April 20, and then in 1935 you take January 4, September 16 and November 15, those three dates. In 1934 you take January 8, February 2, February 10 and July 16, those four dates, and you do not compare any of the dates in 1935 or 1936 except the January one. On the first sheet of the Exhibit you have a good many more dates for 1932 and 1933. Is there any object in choosing those particular dates? A. Those were the dates on which prices were issued by Canadian manufacturers.

Q. You mean the dates of changes in prices? A. Yes.

-- The Commission adjourned for a short recess.

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-- On resuming.

BY MR. KELLOCK: Q. Now Mr. Hooper, in connection with a question I was asking you, the Canadian manufacturer has to purchase and pay duty on machinery and supplies, and you have prepared a statement--

THE COMMISSIONER: Let me know what you mean by supplies.

MR. KELLOCK: There is soap and olive oil and a variety of things.

THE WITNESS: Dye stuffs.

MR. McRUER: Some of them are produced here.

MR. KELLOCK: Some.

BY MR. KELLOCK: Q. I want to ask you again about Exhibit 824, Mr. Hooper. You take one date in 1955, April 20, and then in 1955 you take January 4, September 16 and November 15, those three dates. In 1956 you take January 8, February 2, February 10 and July 16, those four dates, and you do not compare any of the dates in 1955 or 1956 except the January one. On the first sheet of the Exhibit you have a good many more dates for 1954 and 1955. Is there any object in choosing those particular dates? A. Those were the dates on which prices were issued by Canadian manufacturers.

Q. You mean the dates of changes in price? A. Yes.

-- The Commission adjourned for a short recess.

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BY MR. KELLOCK: Q. Now Mr. Hooper, in connection with a question I was asking you, the Canadian manufacturer has to purchase and pay duty on machinery and supplies, and you have prepared a statement--

THE COMMISSIONER: Let me know what you mean by supplies.

MR. KELLOCK: There is soap and olive oil and a variety of things.

THE WITNESS: Dye stuffs.

MR. McRUER: Some of them are produced here.

MR. KELLOCK: Some.

BY MR. KELLOCK: Q. A statement has been prepared showing the situation from 1930 to 1935, which I now show you. Will you tell His Lordship if that is correct, Mr. Hooper?

THE COMMISSIONER: This will be an Exhibit?

MR. KELLOCK: Yes, my lord.

THE COMMISSIONER: It will be Exhibit 896.

EXHIBIT 896: Imports into Canada of Textile Machinery of a class or kind not made in Canada.

BY MR. KELLOCK: Q. This Exhibit 896 shows the imports into Canada of textile machinery of a class or kind not made in Canada for the fiscal years from 1930 to 1935, with the customs duties paid in 1934 and 1935. The two annual reports from which these figures have been taken show only duties paid for these last two years.

THE COMMISSIONER: Is that b cause the witness said a little while ago there was a drawback.

THE WITNESS: No, that would not affect it, my lord.

MR. KELLOCK: It is just a matter of going through the various volumes, my lord.

BY MR. KELLOCK: Q Now in addition to the duty sales tax has to be paid.

THE COMMISSIONER: The first six figures on the Exhibit represent the value of the machinery imported?

MR. KELLOCK: Yes, my lord.

THE COMMISSIONER: And the second set of figures shows only the amount of the customs duties actually paid,

MR. KELLOCK: Yes, my lord, and in addition to

BY MR. KELLOCK: Q. A statement has been prepared showing the situation from 1940 to 1949, which I now show you. Will you tell His Lordship if that is correct, Mr. Hooper?

THE COMMISSIONER: This will be an Exhibit?

MR. KELLOCK: Yes, my Lord.

THE COMMISSIONER: It will be Exhibit 896.

EXHIBIT 896: Import into Canada of Textile Machinery of a class or kind not made in Canada.

BY MR. KELLOCK: Q. This Exhibit 896 shows the import into Canada of textile machinery of a class or kind not made in Canada for the fiscal years from 1940 to 1949, with the customs duties paid in 1948 and 1949. The two annual reports from which these figures have been taken show only duties paid for these last two years.

THE COMMISSIONER: Is that because the witness said a little while ago there was a drawback.

THE WITNESS: No, that would not affect it, my Lord.

MR. KELLOCK: It is just a matter of going through the various volumes, my Lord.

BY MR. KELLOCK: Q. Now in addition to the duty sales tax has to be paid.

THE COMMISSIONER: The first six figures on the Exhibit represent the value of the machinery imported?

MR. KELLOCK: Yes, my Lord.

THE COMMISSIONER: And the second set of figures (illegible) the amount of the customs duties actually paid.

MR. KELLOCK: Yes, my Lord, and in addition to

these customs duties there is sales tax, and the rate today is 8 per cent as compared with 6 per cent in 1935.

THE COMMISSIONER: Today it is 8 per cent?

MR. KELLOCK: Yes, my lord.

THE COMMISSIONER: And in 1935 it was 6 per cent?

MR. KELLOCK: Yes, my lord. I have that worked out, and I find that in addition to the duty of $230,443.05 in 1935 the sales tax at the then current rate was $197,623.58. In addition to that --

THE COMMISSIONER: That is the sales tax for 1935. What about 1934?

MR. KELLOCK: I have not computed it for 1934, my lord. In addition to that there was an excise tax. Is that right, Mr. Hooper?

THE WITNESS: Yes.

MR. KELLOCK: And the excise tax was 3 per cent.

THE WITNESS: Yes.

MR. KELLOCK: And that works out to $77,964.82.

THE COMMISSIONER: That is excise. What is the rate?

MR. KELLOCK: 3 per cent, my lord.

THE WITNESS: How do you arrive at that figure?

THE COMMISSIONER: Where do you get the cost of the machinery?

MR. KELLOCK: That excise only applies, of course, to importations from foreign countries, and the last figure on the page shows the importations from foreign countries for 1935 to be $2,368,451. The duty for 1935 of $230,443.05 is added to that, and the 3 per cent excise applies on that.

Sworn customs duties. There is none now, but the rate under the Act is 6 per cent as compared with 3 per cent in 1925.

THE COMMISSIONER: Today it is 6 per cent?

MR. MILLOCK: Yes, my lord.

THE COMMISSIONER: And in 1925 it was 6 per cent?

MR. MILLOCK: Yes, my lord. I have that written out, and I find that in addition to the duty of $250,446.05 in 1925 the sales tax at the then current rate was $197,628.58. In addition to that --

THE COMMISSIONER: That is the sales tax for 1925. What about 1924?

MR. MILLOCK: I have not computed it for 1924, my lord. In addition to that there was an excise tax. In that year, Mr. Tupper?

THE WITNESS: Yes.

MR. MILLOCK: And the excise tax was 3 per cent.

THE WITNESS: Yes.

MR. MILLOCK: And that works out to $77,964.88.

THE COMMISSIONER: That is excise. What is the rate?

MR. MILLOCK: 3 per cent, my lord.

THE WITNESS: How do you arrive at that figure?

THE COMMISSIONER: Where do you get the cost of the machinery?

MR. MILLOCK: That excise only applies, of course to importations from foreign countries, and the last figure on the page shows the importations from foreign countries for 1925 in the amount of $1,254,441. The duty for 1925 of $250,446.05 is right, and the 3 per cent excise applies on that.

THE WITNESS: The only trouble with that is that you have taken the duties paid on total importations.

MR. KELLOCK: No, just from foreign countries other than Great Britain.

THE WITNESS: No, the total importations are $3,063,283, and the duties paid on the total importations are $230,443.05. But you cannot add the $230,443.05 to the $2,368,451.

MR. KELLOCK: There is no duty on British goods. They come in duty free.

THE WITNESS: Oh, there is no duty on them.

MR. KELLOCK: No.

THE WITNESS: So it comes out all right then.

THE COMMISSIONER: What about the drawback question here? There was a drawback in effect up until two years ago.

THE WITNESS: The item is 1035:

> "Machinery, and parts thereof, and dies valued at more than five hundred dollars each, of a class or kind not made in Canada. (May 12, 1923, Memo. 32 Revised)"
>
> "When used in manufacturing or producing goods of a class or kind not manufactured or produced in Canada prior to the twelfth day of May, 1923, ... drawback 60 per cent."

The item you refer to, my lord, was struck out on April 19, 1935.

THE COMMISSIONER: Can we assume that the drawback for the first four of these years on Exhibit 896 was 60 per cent? You see this machinery is of a class or kind not made in Canada.

THE WITNESS: The only trouble with that is that you have taken the duties paid on total importations.

MR. ARMOUR: No, just from foreign countries other than Great Britain.

THE WITNESS: No, the total importations are $250,446.05. But you cannot add the $250,446.05 to the $2,.08,451.

MR. ARMOUR: There is no duty on British goods. They come in duty free.

THE WITNESS: Oh, there is no duty on them.

MR. ARMOUR: No.

THE WITNESS: So it comes out all right then.

THE COMMISSIONER: What about the drawback question here? There was a drawback in effect until two years ago.

THE WITNESS: The item is 1055:

"Machinery, and parts thereof, and files valued at more than five hundred dollars [illegible] or kind not made in Canada. (May 12, 1922, Memo. 22 Revised)"

"When used in manufacturing or producing goods of a class or kind not manufactured or produced in Canada prior to the twelfth day of May, 1922, ... drawback 60 per cent."

The item for [illegible], 1055, was struck out on April 14, 1925.

THE COMMISSIONER: Then is drawback been drawback for the first four of these years on [illegible] of a class or kind not made in Canada.

MR. KELLOCK: Yes, but the drawback would only apply where machinery was being used for the purpose of making articles not made in Canada prior to 1923. Therefore it would be of very limited application.

THE COMMISSIONER: Is that right?

THE WITNESS: Yes.

BY MR. KELLOCK: Q. The drawback in connection with this machinery would be of very limited application, would it not? A. The silk industry was established prior to May 12, 1923. There were people weaving and dyeing then, making all types of fabrics.

Q. Yes.

THE COMMISSIONER: Anyhow we can find out.

THE WITNESS: I do not know how much has been paid under that item.

BY MR. KELLOCK: Q. The records would be available of the amount of drawback actually paid? A. It is there, but it may be very difficult to segregate it.

Q. Would it substantially affect these figures Exhibit 896, for 1935 ?

THE COMMISSIONER: There was no drawback in 1935.

THE WITNESS: It says the fiscal year ending March 31, 1935.

BY MR. KELLOCK: Q. You say it would not substantially affect it? A. I do not think so. I do not think very much has been paid under that item.

Q. Do you mean through the years? A. Through the years. I know that some has been paid on

A. CONCEDE: Yes, but the overhead would only simply where machinery was being used for the purpose of making articles for sale in a certain year in 1955. Therefore it would be not very limited applicable.

THE COMMISSIONER: Is that right?

THE WITNESS: Yes.

BY MR. KELLOCK: Q. The drawback in connection with this machinery would be at least limited application, would it not? A. The main income was a reasonable return on my 15, 000.

were people wearing and buying them, of the all types of fabrics.

Q. Yes.

A. Anyhow we can find out.

THE WITNESS: I do not know how much has been paid under that item.

BY MR. KELLOCK: Q. The records would be available of the amount of drawback actually paid? A. It is there, but it may be very difficult to aggregate it.

Q. Would it substantially alter those figures Exhibit 898, for 1955 ?

THE COMMISSIONER: There was no drawback in 1955.

THE WITNESS: It says the fiscal year ending March 31, 1955.

BY MR. KELLOCK: Q. You say it would not substantially alter 1955 ? A. I do not think so. I do not think that much has been paid under that item.

Q. Do you mean through the years? A. Through the years. I know that some has been paid on

certain attachments for all types of weaving machinery

THE COMMISSIONER: You mean that drawback has been paid?

THE WITNESS: Yes, my lord.

THE COMMISSIONER: Can you give me a general idea of the rates of duty on this machinery?

MR. KELLOCK: Yes, my lord, I think the present rates are available.

THE COMMISSIONER: There are sales tax and excise tax. That is in addition of course.

MR. KELLOCK: That is in addition.

THE COMMISSIONER: Do you say the sales tax is 8 per cent?

MR. KELLOCK: The sales tax is now 8 per cent. The tariff item is 413, my lord. The British preferential is free, the intermediate 5 per cent and the general tariff 10 per cent.

THE COMMISSIONER: I suppose the most of this machinery comes from the United States.

THE WITNESS: Yes, my lord.

MR. KELLOCK: I would think that is a fact.

THE WITNESS: Because the rate of duty then was 10 per cent.

BY MR. KELLOCK: Q. May I now refer you, Mr. Hooper, to Exhibit 866, which is a statement of the selling prices of rayon fabrics in Canada and the United States, and the duties. In connection with the first two items on the Exhibit you cover the Canadian selling prices, but those are Canadian samples of cotton warp and are not comparable at all to the American item. Is that right? A. The American samples have cotton warp. The price of

certain attachments for all types of weaving machinery.

THE COMMISSIONER: You mean that drawboys are not paid?

THE WITNESS: Yes, my lord.

THE COMMISSIONER: Can you give me a general idea of the rates of duty on this machinery?

MR. KELLOCK: Yes, my lord, I think the present rates are available.

THE COMMISSIONER: There are sales tax and excise tax. That is in addition of course.

MR. KELLOCK: That is in addition.

THE COMMISSIONER: Do you say the sales tax is 8 per cent?

MR. KELLOCK: The sales tax is now 8 per cent. The tariff item is 418, my lord. The British preferential is free, the intermediate 5 per cent and the general tariff 10 per cent.

THE COMMISSIONER: I suppose the most of this machinery comes from the United States.

THE WITNESS: Yes, my lord.

MR. KELLOCK: I would think that is a fact.

THE WITNESS: Because the rate of duty then was 10 per cent.

BY MR. KELLOCK: Q. May I now refer you, Mr. Hooper, to exhibit one, which is a statement of the selling prices of textile fabrics in Canada and the United States, for the fiscal year 1929. In connection with that I ask you to look at the quality the most in Canadian selling prices, but those are Canadian samples of cotton warp and are not comparable at all in the American lines. In that figure [illegible] American samples have cotton warp. The [illegible]

93 cents is not comparable with $1.60 but I thought that 30 cents a pound would more than make up for the difference in the cost of production.

Q. Do you think it is very accurate to add an amount to an entirely different article for the purpose of getting the American selling price? You do not necessarily get the American selling price that way; it may be something entirely different. I mean that you do not know to-day what the American selling price is of the article which exactly corresponds to the Canadian article which sells for $1.60. You are just computing it.
A. Yes.

Q. And it is not necessarily the American price at all? A. No, they have sent me the wrong article in this case.

By THE COMMISSIONER: Q. They sent you the wrong article? A. Yes.

Q. In that one case? A. In the first two.

Q. Who sent you the wrong article? A. The American manufacturer of the article. I had selected an all rayon alpaca. They had forwarded to me their price on their rayon and cotton alpaca.

BY MR. KELLOCK: Q. You could not compare these two at all? I want to ask you this question. Is there any object in making comparisons between Canada and the United States on these fabrics when the imports that are coming in are from Great Britain and Japan? A. Is there any object?

Q. Is there any object in using this comparison?
A. I would not answer that question.

70 cents is not comparable with $1.60 but I thought that it was a proper way to do for the difference in the cost of production.

Q. Do you think it is very accurate to add an amount to an entirely different article for the purpose of getting the American selling price? You do not necessarily get the American selling price that way; it may be something entirely different. I mean that you do not know to-day what the American selling price is of the article which exactly corresponds to the Canadian article which sells for $1.60. You are just computing it.

A. Yes.

Q. And it is not necessarily the American price at all? A. No, they have sent me the wrong article in this case.

By THE CHAIRMAN: Q. They sent you the wrong article? A. Yes.

Q. In that one case? A. In the first two.

Q. Who sent you the wrong article? A. The American manufacturer of the article. I had selected an all rayon sleeve. They had forwarded to me their price on their rayon and cotton sleeve.

By Mr. ARMOUR: Q. You could not compare these two at all? I want to ask you this question. Is there any object in making comparisons between articles and the United States on items (1)(2)(3) when the imports that are coming in are from Great Britain and Japan? A. Is there any object?

Q. If there is any object in doing this comparison?

A. I would not answer that question.

THE COMMISSIONER: He was asked to prepare this statement.

THE WITNESS: I would not say what the object was.

THE COMMISSIONER: Mr. Kellock would have to argue that with Mr. McRuer. What is your proposition?

MR. KELLOCK: There is very little coming in from the United States. The competition is coming from Great Britain and Japan.

BY MR. KELLOCK: Q. I would ask you, Mr. Hooper, to be good enough to look at this statement, which is a statement of Canadian imports of artificial silk and mixture fabrics.

THE COMMISSIONER: Are these the same fabrics referred to in Exhibit 866?

(Page 12178 follows)

THE COMMISSIONER: He was asked to produce this statement.

THE WITNESS: I would not say what the object was.

MR. [illegible]: Mr. Commissioner, I have an airgram that with Mr. Hooper. What is your proposition?

MR. MACDOCK: There is very little coming in from the United States. The competition is mainly from Great Britain and Japan.

BY MR. MACDOCK: Q. I would ask you, Mr. Hooper, to be good enough to look at this statement which is a statement of Canadian imports of artificial silk and mixture fabrics.

THE COMMISSIONER: Are these the same fabrics referred to in Exhibit 866?

(Page 1617A follows)

MR. KELLOCK: I was going to ask the witness that.

THE COMMISSIONER: You just told us fabrics in Exhibit 866 did not come in worth while quantities from the United States.

MR. KELLOCK: Yes.

THE COMMISSIONER: Now, do these new articles refer to these same articles.

MR. KELLOCK: The heading of Exhibit 866 is "Statement of rayon fabric selling prices", and then the statement I am now tendering is the "Canadian imports of artificial silk and mixture fabric," which is cotton and artificial silk.

THE COMMISSIONER: This will be Exhibit 897.

EXHIBIT 897: Canadian imports of artificial silk and mixture fabrics.

MR. KELLOCK: Q. Perhaps it would save time if anything wrong with this you would let us know? A. I would say off-hand most of the fabrics coming in from the United States is all rayon and acetate, mixture, is all rayon and acetate. Whereas fabric coming from the United Kingdom and Japan are mixtures of rayon and cotton in many cases.

THE COMMISSIONER: Well now, just a minute. This does not refer to acetate particularly.

MR. KELLOCK: No, my lord, nor does Exhibit 866.

THE COMMISSIONER: Q. What do you mean by raising that point? A. Mr. Kellock says that most of the importations are coming from the United Kingdom and Japan.

MR. KELLOCK: I was going to ask the witness that

THE COMMISSIONER: The year 1924 is taking in

Coldata 924 did not come in parts until importation from

the United States.

MR. KELLOCK: Yes.

THE COMMISSIONER: Now, do those new articles

refer to these same articles.

MR. KELLOCK: The heading of Exhibit 886 is "statement

of rayon fabric selling prices", and then the statement

I am now tendering is the "Canadian imports of artificial

silk and mixture fabric," which is cotton and artificial

silk.

THE COMMISSIONER: This will be Exhibit 887.

EXHIBIT 887: Canadian imports of artificial silk and mixture fabrics.

MR. KELLOCK: Q. Perhaps it would save time if anything

wrong with this you would let us know? A. I would

say off-hand most of the fabrics coming in from the

United States in all rayon and cotton, mixture, in all

rayon and cotton. Certain fabrics coming from the

United Kingdom and Japan are mixtures of rayon and cotton

in many cases.

THE COMMISSIONER: Well now, just a minute. This

does not refer to cotton particularly.

MR. KELLOCK: No, my lord, not does exhibit 886.

THE COMMISSIONER: Q. What do you mean by raising the

points? A. Mr. Kellock says that most of the

MR. KELLOCK: Q. That is what this sheet shows? A. Yes, but you are giving a statement here which includes fabric of cotton and rayon. It may be that the majority of the better types of all rayon fabrics are coming from the United States.

THE COMMISSIONER: Q. Do you mean to say that Exhibit 866 has no cotton in it? A. Only in the first two cases. They are not supposed to include cotton and rayon. There is one acetate.

Q. Well, you say this, Mr. Kellock's exhibit, contains cotton mixtures as well as rayon? A. Yes, my lord.

THE COMMISSIONER: Well, what about that?

MR. KELLOCK: Q. What is the affect of your comment? A. Well, the rayon fabrics may be coming in from the United States.

THE COMMISSIONER: Q. You mean pure rayon? A. Yes.

MR. KELLOCK: Q. Do you suggest they are? A. Yes, in the quantity shown there. I do not believe you would find many mixtures of rayon and cotton coming from the United States.

Q. Well then, what you say is that the imports from the United States shown on this sheet I am tendering, Exhibit 897, are rayon? A. Yes, rayon or acetate.

THE COMMISSIONER: Q. That is, United States figures? A. Yes.

Q. MR. KELLOCK: Rayon or acetate? A. Or a mixture ~~an~~ of rayon and acetate.

MR. KELLOCK: Q. That is what this sheet shows?

A. Yes, but you are giving a statement here which includes fabric of cotton and rayon. It may be that the majority of the better types of all rayon fabrics are coming from the United States.

Q. Do you mean to say that this sheet has no cotton in it? A. Only in the first two cases. They are not supposed to include cotton and rayon. There is one acetate.

Q. Well, you say this, Mr. Kellock's exhibit, contains cotton mixtures as well as rayon? A. Yes, many.

THE COMMISSIONER: Yes, that shows clearly.

MR. KELLOCK: Q. What is the effect of your comment? Well, the rayon fabrics may be coming in from the United States.

THE COMMISSIONER: Q. You mean pure rayon? A. Yes.

MR. KELLOCK: Q. Do you suggest they omit the quantity shown there? [illegible] find many mixtures of rayon and cotton coming from the United States.

Q. Well then, what you say is that the imports from the United States along the line shown I am [illegible] Exhibit 897, are rayon? A. Yes, rayon or acetate.

THE COMMISSIONER: Q. That is, United States figures? A. Yes.

MR. [illegible]: Q. [illegible]

THE COMMISSIONER: Q. Acetate is rayon too?

A. No.

Q. I thought the acetate people would not admit the other is rayon? A. Rayon is a copyrighted word, I believe.

Q. By whom? A. By the viscose people.

BY MR. DIXON: Celanese people won't admit that they are rayon.

THE COMMISSIONER: What do you call yourselves?

MR. DIXON: We manufacture rayon, Courtaulds do. Celanese won't admit that they manufacture rayon.

THE COMMISSIONER: Will you admit that they manufacture rayon?

MR. DIXON: Yes, sir.

MR. KELLOCK: Q. In your Exhibit 866, under heading "Rayon fabric" you include both acetate and viscose? A. Yes.

Q. Artificial silk covers both? A. Yes. I cannot argue about that.

Q. And Exhibit897 says "Artificial silk"? A. Yes.

Q. So that we get away from any distinction between acetate and viscose.

THE COMMISSIONER: Q. You say these United States imports so far as they appear to you are all artificial silk? A. Yes.

Q. And not mixtures? A. Yes. Whereas I know fabrics coming from Japan and the United Kingdom

THE COMMISSIONER: Q. Acetate is rayon too?

A. No.

Q. I thought the acetate people would not admit the other is rayon? A. Rayon is a copyrighted

5 term, I believe.

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A. Yes.

20 Q. Artificial silk covers both? A. Yes.

I cannot argue about that.

Q. And Exhibit 887 says "Artificial silk"?

A. Yes.

Q. So that we get away from any distinction

25 between acetate and viscose.

THE COMMISSIONER: Q. You say these United States imports so far as they appear to you are all artificial silk? A. Yes.

Q. And not mixtures? A. Yes. Inasmuch I

30 [illegible]

are in some cases mixture.

MR. KELLOCK: Q. That does not affect the situation I want to examine you about for a moment. That is, for the first nine months of 1936 total Canadian imports of artificial silk amounted to ---

THE COMMISSIONER: No, artificial silk and mixture fabrics.

MR. KELLOCK: Yes, my lord.

Q. Artificial silk and mixture fabrics amount to 861,227, and of that total the United Kingdom exported 475,401 pounds. Going to Japan for the moment, 250,731 pounds as against 100,385 from the United States. Whereas in the same nine months in 1935 the total was 567,156 pounds and Great Britain supplied 398,657 pounds. And Japan only 34,472 pounds and the United States 80,185 pounds. The increases in the case of both Japan and Great Britain are very much higher than in the case of the United States, is that right? A. Yes, because the duty and basis for computing duties were lowered in those two cases and therefore the business turned that way.

Q. That is the fact that wherewe are getting our importations from is Great Britain and Japan? A. Yes.

Q. The United States and Japan are on the same Canadian intermediate tariff, is that right? A. Yes, sir.

Q. But in the case of Japan there is currency dumping duty? A. Yes.

[illegible]

[illegible]

MR. KENLOCK: Q. That does not affect the situation I want to examine you about for a moment. That is, for the first nine months of 1928 total Canadian imports of artificial silk amounted to ---

[illegible] Q. Artificial silk and mixture fabrics.

MR. KENLOCK: Yes, my lord.

Q. Artificial silk and mixture fabrics amount to 661,327, and of that total the United Kingdom exported 475,401 pounds. Going to Japan for the moment, 350,721 pounds as against 100,385 from the United States. In the same nine months in 1928 the total was 397,186 pounds and Great Britain supplied 298,897 pounds and Japan only 34,472 pounds and the United States 80,105 pounds. The increases in the case of both Japan and Great Britain are very much higher than in the case of the United States, is that right? A. Yes, because the duty and basis for computing duties were lowered in those two cases and therefore the business turned that way.

Q. That is the fact that shows are getting our importations from is Great Britain and Japan? A. Yes.

Q. The United States and Japan are on the same Canadian intermediate tariff, is that right? A. Yes.

[illegible]

Q. Now, looking again at Exhibit 866 and taking the last item on the Exhibit, which is the only one where the Canadian and American articles are comparable? A. Oh no, that is not the only case where they are comparable.

Q. The only one you have shown? A. It is the only one I have sample of cloth when this was prepared. I am to get the other.

Q. We will deal with it in the shape it is in? A. Don't say it is the only one that is comparable.

Q. I will say it in this way: The only comparable item where you show both selling prices, is that right? A. Yes.

Q. Now, the Canadian selling price at $1.46, I figured that out, the total, because you have got the totals here in the American case, the Canadian figures at $339,50, am I right? A. That appears ---

THE COMMISSIONER: For what?

MR. KELLOCK: For the 100 pounds which you were dealing with in this item?

THE COMMISSIONER: I do not understand what you are saying. You are referring to the very last item?

MR. KELLOCK: Yes. The Canadian Celanese price is shown $1.46.

THE COMMISSIONER: What are you saying about that?

MR. KELLOCK: The item deals with a thousand yards and that price at $1.46 is $339.50.

THE WITNESS: Or $340.00.

Q. Now, looking again at Exhibit 805 and taking the last item on the Canadian, which is the only one where the Canadian and American articles are comparable, in no, that is not the only case where they are comparable.

Q. The only one you have shown? A. It is the only one I have shown or claim was comparable. I am to get the other.

Q. We will deal with it in the usual way. It is in? A. Don't say it is the only one that is comparable.

Q. I will say it in this way: The only comparable item where you show both selling prices, is that right?

A. Yes.

Q. Now, the Canadian selling price at $1.48, I figured that out, the total, because you have got the totals here in the American case, the Canadian figures at $339.50, am I right? A. That appears --

THE COMMISSIONER: For what?

MR. MILLOCH: For the 100 pounds which you were selling etc. in July 1949.

THE COMMISSIONER: I do not understand what you are saying. You are referring to the very last item?

MR. MILLOCH: Yes. The Canadian delivery price is shown $1.48.

THE COMMISSIONER: Are you saying that?

MR. MILLOCH: The item deals with a thousand yards and that price at $1.48 is $339.50.

THE COMMISSIONER: Is $340.00.

THE COMMISSIONER: Q. Where did you get that? A. You divide the weight. It is shown in the last column, $1.46.

THE COMMISSIONER: What comparison is the pound to the warp?

MR. KELLOCK: 4.3 yards to the pound.

Q. The American price $300.00? A. Yes.

Q. The duty paid value of the American article is $516.07? A. Yes.

Q. So that again in this particular case the Canadian mill is only using about $40.00 of the available protection? A. That is right.

Q. Now, Mr. Hooper, with reference to the last Exhibit which I just put in, that is Exhibit 897, which shows where the imports of artificial silk are coming from - well, this Exhibit shows that the duty, which is the same rate against Japan, is adequate in the case of the United States - it is not adequate in the case of Japan or these articles would not be coming in, is that correct?

MR. McRUER: Do you mean to suggest that duty must exclude goods?

MR. KELLOCK: I am not arguing it at all.

MR. McRUER: You are using the word "adequate".

THE COMMISSIONER: You must then be saying that an adequate tariff is one which excludes everything.

MR. KELLOCK: Not in that case. I am using it in this sense that Japanese goods are coming in and

COMMISSIONER: Q. Where did you get that?

A. You divide the weight. It is shown in the last column, $1.46.

THE COMMISSIONER: What comparison in the pound to the ounce?

MR. KILLOCK: 4.5 yards to the pound.

Q. The American price $300.00? A. Yes.

Q. The duty paid value of the American article is $112.07? A. Yes.

Q. So that again in this particular case the Canadian mill is only using about $40.00 of the available protection.

Q. Now, Mr. Hooper, also reference to the last exhibit which I just put in, that is Exhibit 687, which shows where the imports of artificial silk are coming from - well, this exhibit shows that the duty, which is the same rate against Japan, is adequate in the case of the United States - it is not adequate in the case of Japan or these articles would not be coming in, is that correct?

MR. MONTGOMERY: Do you mean to suggest that duty must equal equal?

MR. KILLOCK: I am not arguing it at all.

MR. MONTGOMERY: You are using the word "adequate".

THE COMMISSIONER: You must then be saying that the duties paid in the value [illegible] everything.

MR. KILLOCK: Exactly, [illegible]

therefore it must be possible for the Japanese exporter to lay them down below the Canadian price, whereas cannot do it in the case of the United St ates.

THE COMMISSIONER: Why?

MR. KELLOCK: He is not doing it.

THE COMMISSIONER: How do you know?

MR. KELLOCK: Exhibit 897 shows it by comparison.

THE COMMISSIONER: You mean the Americans cannot do it here? I thought the Japanese could not send it in the United States.

MR. KELLOCK: No.

THE COMMISSIONER: In the first place you must remember that Mr. Hooper has told us that insofar as the United States importations here are concerned that these figures refer only to artifidial silk, unmixed. Whereas when you are dealing with Japan and the United Kingdom they are both mixed and not mixed.

MR. KELLOCK: I am directing my question now to the last item on this Exhibit? A. You mean of 866?

Q. Yes? A. No, they could not.

THE COMMISSIONER: I do not understand your reasoning.

MR. KELLOCK: American article and Canadian article, according to Mr. Hooper, Exhibit 866, is the same thing, because he is comparing them. However, that is perhaps argument.

THE COMMISSIONER: Can anybody tell me as nearly as possible what percentage of Canadian consumption these

therefore it must be possible for the Japanese export to buy from them below the American price, because cannot do it in the case of the United States.

THE COMMISSIONER: Why?

MR. KILLOCK: He is not doing it.

THE COMMISSIONER: How do you know?

MR. KILLOCK: Exhibit 347 shows it by comparison.

THE COMMISSIONER: You mean the Americans cannot do it here?

MR. KILLOCK: No.

THE COMMISSIONER: In the first place you must remember that Mr. Hooper has told us that imports as the United States import stations here are concerned that these figures refer only to artificial silk, unmixed. Whereas when you are dealing with Japan and the United Kingdom they are both mixed and not mixed.

MR. KILLOCK: I am directing my question now to the last item on this Exhibit? A. You mean of 0667?

Q. Yes? A. No, they could not.

[illegible]

[illegible]

[illegible] no in comparing them. However, that is [illegible]

[illegible]

figures represent.

MR. KELLOCK: The share of the market, my lord?

THE COMMISSIONER: Yes.

MR. KELLOCK: That is in already, I think.

THE WITNESS: They would not represent 10% would they?

MR. McRUER: Get Mr. Hallam with file of production report of the Canadian mills. We have not artificial silk separated.

THE COMMISSIONER: I do not want to be delaying Mr. Kellock when that can be put in.

MR. RENE: It was put in.

SECRETARY WHITELEY: We had an exhibit yesterday or the day before showing deliveries from Canadian mills.

THE COMMISSIONER: Take imports from Japan, 250,000 pounds imported into the United States would certainly be a very very small proportion of the consumption in that country with its very large population. It would be larger here, of course.

MR. KELLOCK: Yes, about ten times.

THE COMMISSIONER: So that it is important to know what proportion it is of our consumption.

THE WITNESS: It would be less than 20%, my lord.

THE COMMISSIONER: Here is artificial silk fabric shipped by Canadian Mill, does that include mixed fabrics too? A. No, just pure artificial silk. That is in yards.

figures regarding.

MR. KELLOCK: The share of the market, my lord.

THE COMMISSIONER: Yes.

MR. KELLOCK: That is in already, I think.

THE WITNESS: They would xx not represent 10 would they?

MR. KELLOCK: Yes, Mr. Dalton also files of parliamentary report of the Canadian mills. We have not artificial silk separated.

THE COMMISSIONER: I do not want to be deadening Mr. Kellock when that can be put in.

MR. FORT: It was put in.

SECRETARY MILITARY: We had an exhibit yesterday or the day before showing deliveries from Canadian mills.

THE COMMISSIONER: Take imports from Japan, 250,000 pounds imported into the United States would certainly be a very very small proportion of the consumption in that country with its very large population. It would be larger here, of course.

MR. KELLOCK: Yes, about ten times.

THE COMMISSIONER: So that it is important to know what proportion it is of our consumption.

THE WITNESS: It would be less than 50%, my lord.

THE COMMISSIONER: Here is artificial silk fabric analyzed by Canadian Mill, does that include mixed fabrics too? A. No, just pure artificial silk.

THAT IS ... YARDS.

MR. KELLOCK: Exhibit 897 is in pounds.

THE COMMISSIONER: TakeExhibit 897, you get the poundage there by dividing it by four --- A. You could not in that case because they are different fabrics. Mr. Watson might be able to tell us what Courtaulds' sales of yarn are to weavers.

THE COMMISSIONER: Mr. McRuer, I suppose you can have this worked out for me?

MR. McRUER: I will.

MR. KELLOCK: Q. Mr. Hooper, the 250,731 pounds imported from Japan in the first nine months of 1936, Exhibit 897, what production would that be of any Canadian mill that you know of? A. About 10% of Celanese.

MR. KELLOCK: I recall, my lord, I asked for some information along that line at noon and it come on the telephone.

MR. BALLANTYNE: I got a telephone call. We asked what this 250,000 pounds of Japanese rayon would really represent.

THE COMMISSIONER: In the way I wanted it?

MR. BALLANTYNE: Yes. It does not go quite so far as your Lordship wants, but I understand that would represent, for example, approximately three months' production of rayon at, say, the Sherbrooke Mill of the Dominion Textile, or, to put it in another way - and I will verify my statement again - that it represents the production of an 180-loom mill working at 55 hours

MR. KELLOCK: Exhibit 897 is in pounds.

THE COMMISSIONER: Presumably not, but at the moment that my ruling is by Page --- A. You would not be sure from Canada Day my litigation/ Cabinet. Mr. Nelson might be able to tell us what conversion value of yen is in dollars.

THE COMMISSIONER: Mr. Kellock, I suppose you have this worked out for me?

MR. KELLOCK: I will.

MR. KELLOCK: Q. Mr. Cooper, the 880,761 pounds imported from Japan in the first nine months of 1956, Exhibit 897, what production would that be of any Canadian mill that you know of? A. About 105 of Quinnes.

MR. KELLOCK: I recall, my lord, I asked for some information along that line at noon and it came on the telephone.

MR. BALLANTYNE: I got a telephone call. He asked what this 300,000 pounds of Japanese rayon would result in, I assume.

THE COMMISSIONER: In the way I wanted it?

MR. BALLANTYNE: Yes. It does not go quite so far as your orderly mind, but I understand that would result, for example, approximately three months' production of rayon at, say, the Cherbrooke mill of the Dominion Textile, or, to put it in another way - and I will verify my statement again - that it represents the production of one Cherbrooke mill working - I be mistaken

throughout the year and that would employ about 100 employees.

MR. McRUER: Is that manufacturing this type of rayon or some other type of rayon?

MR. KELLOCK: What do you mean by "this type"?

MR. McRUER: This very cheap sort of stuff.

THE COMMISSIONER: There are various types - this is importation of artificial silk and mixture fabrics.

MR. BALLANTYNE: I am giving this for what it is worth. I understood it was an approximate example of what it would represent.

THE COMMISSIONER: Well, that will do for to-day. I want to know to what extent the domestic market in all of these fabrics is occupied by home production and, on the other hand, by foreign production.

MR. KELLOCK: I should like to try to get that and put in a statement.

Q. Mr. Hooper, when my friend was examining you about 866, my friend said that the duty rate - that is, the Canadian duty rate on these American importations was about 90% throughout. Now, apparently in my mathematics a little earlier in the day I urged against myself. My friend in examining the witness said that the sum of the Canadian ad valorem, specific and excise taxes were approximately 90% on the articles shown on this Exhibit. Now, I have had it worked out, Mr. Hooper, and I wish you to check it if there is anything wrong and let us know - that the average duty

throughout the year and that would employ about 100 employees.

MR. MORTON: Is that manufacturing this type of rayon or some other type of rayon?

MR. KELLOCK: What do you mean by "this type"?

MR. MORTON: Style very silk and of start.

THE COMMISSIONER: There are various types - this is importation of artificial silk and mixture fabrics.

MR. BALLANTYNE: I am giving this for what it is worth. I understood it was an approximate example of what it would represent.

THE COMMISSIONER: Well, that will do for to-day. I need as time to read over the evidence where in all of these fabrics is occupied by home production and, on the other hand, by foreign production.

MR. KELLOCK: I should like to try to get that and put in a statement.

Q. Mr. Hooper, when my friend was examining you about 888, my friend said that the duty rate - that is the Canadian duty rate on these American importations was 45% ad valorem. Now, otherwise in my thousation a little earlier in the day I urged against myself. My friend in examining the witness said that the sum of the Canadian ad valorem, specific duties have been cumulatively, by the existing scheme on this product. Now, I have had it worked out by Mr. Cooper, and I wish you to check it if there is anything wrong and let us know - that the average duty

is not 90% but about 71%.

THE COMMISSIONER: Take a case - what case are you referring to?

MR. KELLOCK: The last one on the page, the figures I have ---

THE COMMISSIONER: That is, 6th of October this year.

MR. KELLOCK: Yes, works out to 68% in my figures.

THE COMMISSIONER: Oh, there are three different ones, October 6th.

MR. KELLOCK: There is ad valorem, specific and excise.

MR. McRUER: You say 60 what per cent?

MR. KELLOCK: 68%., Seems to be right.

MR. McRUER: Could not we have a table worked out showigg them all?

MR. KELLOCK: His lordship wants taking this one. You said it was 90% and I do not think you are right.

MR. McRUER: No, I do not think there are many of them 90%.

MR. KELLOCK: I do not think there are any of them. The average, according to my computation, is 71.

THE COMMISSIONER: You are a little low in 68% if you worked on the same item I worked on.

MR. KELLOCK: Well, the laid-down value is $647,75.

THE COMMISSIONER: Oh, that one.

MR. KELLOCK: You start off with figure of of $381.

THE COMMISSIONER: I had the one above you.

is not the last same 71%.

THE COMMISSIONER: Then a man - what case are you

referring to?

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THE COMMISSIONER: You are a little low in 68% if

you worked on the same item I worked on.

MR. KELLOCK: Well, the laid-down value is $647,75.

THE COMMISSIONER: Oh, that one.

MR. KELLOCK: You start off with figure of $

[illegible]

THE COMMISSIONER: I see its not worse [illegible]

MR. KELLOCK: That is 77%, my lord. The average on the sheet is 71%.

Q. Mr. Hooper, the Canadian rate of duty as against the United States - the Canadian rate is 36% plus 40¢ a pound? A. As against 45% and 45¢ a pound, is that what you want to know?

Q. Yes? A. Yes.

Q. That is, Canadian rate against the United States is 36% and 40¢ a pound.? A. Yes, sir.

Q. The United States rate against Canada is 45% and 45 ¢ a pound, is that right? A. Yes.

Q. Are there any appreciable exports of rayon fabrics to the United States? A. I have not heard of them.

Q. Any that are coming at all are coming this way.

THE COMMISSIONER: You ought to know that.

THE WITNESS: I do not think there are any. Why are we copying American fabric and shipping them back there? I don't think we could copy american fabric and export them to the United States. The style might be passe at that time.

THE COMMISSIONER: Q. You mean the styles manufactured here are American styles? A. Yes, to a great extent. Some are copied from the Continent of course, and from England.

MR. KELLOCK: Q. Is what you ~~sar~~ are saying that the reason there are no Canadian exports of rayon to the United States, that it has no relation to the duty which they have to pay. You do not say that?

MR. GRILLEY: Yes, sir, Java. The certificate on the sheet is 72%.

Q. Mr. Hooper, the Canadian rate of duty as against the United States - the Canadian rate is 30% plus 40¢ a pound? A. As against 45% and 45¢ a pound.

Q. Is that what you want to know?

Q. Yes? A. Yes.

Q. That is, Canadian rate against the United States is 30% and 40¢ a pound.? A. Yes, sir.

Q. The United States rate against Canada is 45% and 45¢ a pound, is that right? A. Yes.

Q. Are there any appreciable exports of rayon fabric to the United States? A. I have not heard of them.

Q. Any that are coming at all are coming this way.

THE COMMISSIONER: You ought to know that.

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THE COMMISSIONER: Q. You mean the styles manufactured here are American styles? A. Yes, to a great extent. Some are copied from the Continent of course and from England.

MR. KELLOCK: Q. Is what you are saying that the reason there are no Canadian exports of rayon to the United States, that it has no relation to the duty Sales can have to pay. You do not say that?

A. No, we are not in that business here exporting rayon fabrics to the United States.

Q. Why? A. Could we compete with them?

Q. What I am asking you is this: Do you suggest that the reason that there are no exports of Canadian rayon fabrics or artificial silk fabrics to the United States is not based in any way on the American duty against Canada. You are not suggesting that, are you? A. I do not think the duty has a great deal to do with it.

Q. Then you are suggesting that? A. If I answer I do not think the duty has a great deal to do with it- if there was no duty I say I don't know what would happen. It is likely we could sell fabrics in the United States if there was no duty because cheaper yarns could be brought in and refunds of duties paid on the yarns and we might be able to compete in the United States.

THE COMMISSIONER: Q. You are talking of refund of duties paid where the articles are exported? A. Yes.

Q. That would be another drawback? A. Yes, drawback, goods exported.

Q. In that case, though, we would be dumping? A. No.

Q. Yes, we would be selling a product at home dearer than in the United States? A. We are selling to the United Kingdom at the present time and that may be ---

A. No, we are not in that business here exporting rayon textile to the United States.

Q. Why? A. Could we compete with them?

Q. Well, do existing rates in Ellis. Do you consider that the Canadian that Canadian are at a disadvantage rayon fabrics or artificial silk fabrics to the United States is not based in any way on the American duty against Canada. You are not suggesting that, are you?

A. I do not think the duty has a great deal to do with it.

Q. Then you are suggesting that? A. If I answer if there was no duty I say I don't know what would happen. It is likely we could sell fabrics in the United Sta es if the e was no duty because cheaper yarns could be brought in and refunds of duties paid on the yarns and we might be able to compete in the United States.

THE COMMISSIONER: Q. You are talking of refund of duties paid where the articles are exported?

A. Yes.

Q. That would be another drawback? A. Yes, drawback, simply illegal.

Q. In that case, however, we would be doubtfully A. Yes.

Q. Yes, we would be selling a product at home more than in the United States? A. We are selling in the United States at the present time but

Q. At less than we are selling at home? A. Yes.

Q. That is dumping, whether they punish it or not. A. I understand the English Customs Law reads differently.

MR. KELLOCK: Your view would be if there were no United States duties as against Canadian exports of Canadian artificial silk that the Canadian mills would be able to export to the Unites States? A. On some fabrics I think they could undersell them.

Q. Well then, the duty at the moment prevents that. A. Yes.

Q. That last Canadian or American price on Exhibit 866, Mr. Hooper, where would you get that from? A. Mr. Watson.

Q. The American? A. I gave that evidence. I thought you knew where all these prices came from.

Q. Is that Cohen, Hall & Marx? A. Yes.

Q. And the Canadian price $1.46 is from Grouts Limited? A. Yes.

Q. Would you look at Exhibit 869, Mr. Hooper, if I might go back to that just for a moment. Keep this present one for the moment. You are dealing with 866 and 897. You suggested in connection with Exhibit 897 that the Canadian imports from Japan shown on this Exhibit in 1936 might contain considerable mixtures - is that your suggestion? A. Well, you could ---

THE COMMISSIONER: You put Exhibit 897in yourself.

Q. At least that we are selling at home? A. Yes.

Q. That is dumping, whether they punish it or not.

A. I understand the English Customs law reads differently.

MR. KELLOCK: Your view would be if there were no United States duties as against Canadian exports of Canadian artificial silk that the Canadian mills would be able to export to the United States market? A. On some fabrics I think they could undersell them.

Q. Well then, the duty at the moment prevents that.

A. Yes.

Q. That last Canadian or American price on exhibit 888, Mr. Hooper, where would you get that from?

A. Mr. Watson.

Q. The American? A. I gave that evidence.

I thought you have taken all those prices from.

Q. Is that Cohen, Hall & Marx? A. Yes.

Q. Are the Canadian prices Dilmit is from British Limited? A. Yes.

Q. Would you look at Exhibit 889, Mr. Hooper, if I might go back to that just for a moment. Keep this present one for the moment. You are dealing with 883 and 887. You suggested in connection with quality, Mr. Kent, the Canadian exports from Japan also. Is this quality is less than quality manufacture advance - if that gives suggestion? A. Well, you would ---

MR. KELLOCK: Yes.

THE COMMISSIONER: You call it Artificial Silk and mixture fabric." You don't know yourself what percentage.

MR. KELLOCK: Mr. Hooper's suggestion, as I understood him, was that there would be considerable mixtures in those figures from Japan. I just wanted to address Mr. Hooper's mind to Exhibit 887, which Mr. Hooper prepared, which is "Statement of Importations from Japan, Rayon Fabric, 1936," starting apparently in June of 1936 and running on until the end of September, I would take it.

THE COMMISSIONER: They are different.

THE WITNESS: That is total importation of all rayon fabric from Japan.

THE COMMISSIONER: You have cotton-back ?
A. Yes, in one case I have cotton-back.

THE COMMISSIONER: Which one are you referring to?

MR. KELLOCK: The first one to cotton-back rayon satin.

THE COMMISSIONER: Q. Is not that a mixture? A. Yes, sir.

MR. KELLOCK: Q. The last one on the Exhibit, page 4, cotton-back rayon twill - that is also a mixture? A. Yes.

Q. Those are the only two mixtures in that Exhibit?
A. They are the only two in the Exhibit, yes.

Q. I am told they only constitute 6% of importations

in that particular Exhibit? A. Well, there are other mixtures in there, other mixtures imported from Japan.

Q. In this period? A. Yes, sir.

Q. Why are not they on this exhibit? A. I was just wondering why these were on. Mr. McRuer told me to make up a statement of rayon fabric.

Q. It ought to be one thing or the other? A. Well, I think I put these in because they were a different type of mixture to any brought in before. I don't know the real reason for putting these in there now but I know they were not in the others.

Q. In order to get the real story of fabrics coming into Canada in 1936, which are composed at least in part of rayon, we have to have this Exhibit supplemented, Exhibit 887 that you put in? A. You have the total importations.

Q. I put it in to-day? A. I put in yesterday, total importations under 561, It is in there.

Q. 561 stopped there in April or May or June? A. No, went up to the end of September.

THE COMMISSIONER: Q. What does it show? A. It shows total importations from Japan.

MR. KELLOCK: You mean Exhibit 884? A. Yes.

Q. Under item, Tariff item 561? A. Yes, that shows the total importations.

THE COMMISSIONER: You have two, one of cotton---

MR. KELLOCK: Well, Exhibit 884 is in pounds and hat does show apparently all kinds of fabric coming

in that particular exhibit? A. Well, there are other mixtures in there, other mixtures imported from Japan.

Q. In this period? A. Yes, sir.

Q. Why are not they on this exhibit? A. I was just wondering why these were on. Mr. Hooper told me to make up a statement of rayon fabric.

Q. It ought to be one thing or the other? A. Well I think I put these in because they were a different type of mixture to any brought in before. I don't know the real reason for putting these in there but I know they were not in the others.

Q. In order to get the real story of fabrics coming into Canada in 1936, which are composed at least in part of rayon, we have to have this exhibit supplemented, Exhibit 367 what you put in? A. You have the total importations.

Q. I put it in to-day? A. I put in Western total importations under 367. It is in there.

Q. 367 stopped there in April or May or June?

A. No, went up to the end of September.

[illegible] Q. When does it show? A. It shows total importations from Japan.

MR. [illegible]: You have exhibit 366? A. Yes.

Q. Under item, isn't item 367? A. Yes, that shows the total importations.

THE COMMISSIONER: You have two, one of a type---

[illegible] Q. [illegible] you in Japan and

in from Japan, but when you prepared Exhibit 887 which deals alone with rayon fabric, it is in yards and you exclude articles which include rayon.

THE COMMISSIONER: Excepting those two.

THE WITNESS: Excepting those two. I exclude cotton. The difference between the two would be made up of mixture fabrics, Cap linings.

MR. KELLOCK: Well, do you know why---

THE COMMISSIONER: Mr. Kellock, to what extent does your Exhibit 827 cover the same goods as Exhibit 887?

MR. KELLOCK: Well, I assume it includes ---

THE COMMISSIONER: One is in pounds and one in yards.

MR. KELLOCK: It includes all articles in Exhibit 887 I would assume and also other fabrics which are made in part of rayon.

THE COMMISSIONER: And which are not on 887.

MR. KELLOCK: And which are not on 887.

MR. McRUER: Whether they are of a class or kind made in Canada or not?

MR. KELLOCK: They are all of a kind or class made in Canada under the present ruling. You are not going to lay down a ruling of your own.

MR. McRUER: I am going to contend that such a ruling as that ---

MR. KELLOCK: Well, I think the Department is the last word. I think your lordship is the last word.

Q. Well, is Exhibit 887 made up on my friend's

is from Japan, but when you presented exhibit 607 w
deals alone with rayon fabric, it is in yards and
exclude articles which include rayon

THE CHAIRMAN: Excepting those two.

THE WITNESS: Excepting those two. I exclude o
the difference between the two would be made up of
[illegible] duty.

MR. MARCOUX: Well, do you know why----

THE CHAIRMAN: Mr. [illegible], it was [illegible]
your exhibit 607 cover the same goods as exhibit 60
MR. MARCOUX: Well, I assume it includes ----
THE CHAIRMAN: One is in yards and one in
[illegible].

MR. MARCOUX: It includes all articles in exhibit
607 I would assume and also other articles which are
made in part of rayon.

[illegible] exhibit 607.

MR. MARCOUX: Are which are not in 607.

MR. MONTAGUE: Whether they are of a class or kind
[illegible] in Canada or not?

MR. MARCOUX: They are all of a kind or class
in Canada under the present ruling. You are not
[illegible] ruling of [illegible].

MR. MONTAGUE: I am going to contend that such a rul
[illegible] that ----

MR. MARCOUX: Well, I think the Department is the
[illegible]

idea of what constitutes class or kind made in Canada? A. No, it was not.

Mr. McRUER: I say it includes them all where---

THE COMMISSIONER: Let us have no misunderstanding. Exhibit 887 is said to be a "Statement of importation from Japan of rayon fabric,"- nothing there of class or kind made in Canada? A. Includes all importations of all rayon fabrics.

Q. That is without any mixtures excepting the two you put in for some reason or other? A. Yes, I think I had a good reason at the time. I don't know what it is now. It does not sound too good at this moment.

MR. KELLOCK: Q. I was wondering what it was? A. I am too.

Q. My friend could help you? A. He was not there. This was night work.

Q. Exhibit 869, that is "Statement of comparative selling prices of Canadian and American real silk." It says, "Selling prices" at the top - these are actual selling prices, are they? A. Yes.

Q. What about trade discount? A. Trade discount?

Q. Yes? A. I do not think there is a trade discount.

Q. I am instructed in the case of the United States there is a trade discount of 8%? A. That is cash discount.

Q. All right, I will stand corrected - cash discount of 8%? A. Yes.

idea of what constitutes class or size made in Canada?

A. No, it was not.

MR. MORTON: I say it includes them all was---

THE COMMISSIONER: Let us have no misunderstanding. Exhibit 287 is said to be a "statement of importation from Japan of rayon fabric,"- nothing there of class or kind made in Canada? A. Includes all imported of all these lines.

Q. That is without any mixtures excepting the two you put in for some reason or other? A. Yes, I think I had a good reason at the time. I don't know what it is now. It does not sound too good at this moment.

MR. MILLOOK: Q. I was wondering what it was?

A. I am too.

Q. My friend could help you? A. He was not there. This was night work.

Q. Exhibit 289, that is "statement of comparative selling prices of Canadian and American rayon silk." It says, "selling prices" at the top - these are actual selling prices, are they? A. Yes.

Q. You need have discount? A. Yes, there

Q. Yes? A. I do not think there is a trade discount.

Q. I am interested in the case of the United States there is a trade discount of 8%? Q. What is case there?

Q. All right, I will [illegible]

Q. And what about that? A. Well, there is nothing about it that I know.

Q. No, but your Exhibit? A. We certainly did not deduct cash discount for duty purposes except back in 1929.

Q. That is what I wanted to get? A. Even then it was not over 2½%.

Q. That is what I want to get at. I am not speaking about 1929. There is no comparison here in 1929, but your American selling price - in order to get at the cash price regardless of what you take for duty purposes, you have to take off 8%? A. No, I just said not to.

Q. I am saying the actual selling price over there you must take off 8% if talking about cash selling price? A. If you bought for cash you could take it off.

THE COMMISSIONER: What is the point?

MR. KELLOCK: My point is this - Canadian selling prices, they are subject to certain discount, 2% 10 days, or net 30 days. The American have a comparable term of 8% and if you take the 8% off the American price, get down to a cash basis, the difference between Canadian and American is not very great, until we get down to---

THE COMMISSIONER: Yes, but these are real silk fabrics.

~~TH~~ MR. KELLOCK: Yes, real silk fabrics and---

Q. And what about that? A. Well, there is nothing about it that I know.

Q. Do, and your [illegible] not dealer cash discount for duty purposes exce[illegible] in 1929.

Q. That is what I wanted to get? A. Even tra[illegible] it was not over $1.

Q. That is what I want to get at. I am not speaking about 1929. There is no comparison here in 1929, but your American selling price - in order t[illegible] get at the cash price regardless of what you take for duty purposes, you have to take off 2%? A. No, I just said not to.

Q. I am saying the actual selling price over the [illegible] you must take off 2% if talking about cash selling price? A. If you bought for cash you could [illegible] it off.

THE COMMISSIONER: What is the point?

MR. [illegible]: My point is this - American selling prices, they are subject to certain discount, 2% 10 days, or net 30 days. The American gives a comparable term of 2% and if you take the 2% off the American price, get down to a cash basis, the differen[illegible] between Canadian and American is not very great, [illegible]

[illegible]

THE [illegible]: [illegible] [illegible] [illegible] [illegible]

THE COMMISSIONER: And this shows that the Canadian fabric is less expensive than the American one.

MR. KELLOCK: Yes.

THE COMMISSIONER: What are you trying to show?

MR. KELLOCK: I am trying to show that the American prices which we have here are subject to 8%.

THE COMMISSIONER: What is the point you are making?

MR. KELLOCK: Well, I don't know what the point of the Exhibit is, my lord.

THE COMMISSIONER: I would say off-hand this is an exhibit favourable to you? You seem to want to destroy it or weaken it.

MR. KELLOCK: No, the point I am leading up to is the lastitem on the page, and that will be apparent when I get to it.

THE COMMISSIONER: You mean 85¢?

MR. KELLOCK: 85¢ and Canadian price of 39¢, just opposite to it.

THE WITNESS: They consider the price too low.

Q. Who do you mean by "They"? A. Well, whoever are instructing Mr. Kellock.

Q. You are jumping to conclusions. You are right as a matter of fact. Let us come to that right away. What is the American rate of duty against an importation from Canada of this kind of fabric that you are dealing with here under No. 2840. I am told it is 55% - would that be right? A. Yes.

Q. Now, taking that Canadian price there of 39 cents,

THE COMMISSIONER: And this shows that the Canadi
fabric is less expensive than the American one.

MR. KELLOCK: Yes.

THE COMMISSIONER: What are you trying to show?

MR. KELLOCK: I am trying to show that the Ameri
prices which we have here are subject to 3%.

THE COMMISSIONER: What is the point you are ment

MR. KELLOCK: Well, I don't know what the point
the exhibit is, my Lord.

THE COMMISSIONER: I would say off-hand this is
an exhibit favourable to you? You seem to want to do
it or weaken it.

MR. KELLOCK: No, the point I am leading up to
is the location on the page, and that will be apparent
when I get to it.

THE COMMISSIONER: You mean 35%?

MR. KELLOCK: Yes and something prime is one, just
opposite to it.

THE WITNESS: They consider the price too low.

Q. Who do you mean by "They"? A. Well, whoever
are instructing Mr. Kellock.

Q. You are jumping to conclusions. You are right
as a matter of fact. Let us come to that right away.
What is the American rate of duty against an importati
from abroad of this kind of fabric that you are dealing
with here under No. 2640. I am told it is 35% -
that be right? A. Yes.

you put on a duty of 55%, you get a price of 56.85¢ - would that be right? A. Yes, sir.

Q. Now, that is still over 28 cents less than the American price? A. Yes.

Q. Is there any appreciable export of real silk fabric from Canada to the United States? A. You might notice that those are printed fabrics and that pattern may not be saleable in the United States.

Q. Well, take the piece dyed, it is 33 ¢ as against 75 cents. It is relatively the same picture? A. Well, the same thing would apply, colours may change.

Q. I know - are not you guessing? A. No, I am not guessing. There may be that. They had to reduce the price here to sell in Canada.

THE COMMISSIONER: Canadian goods are not going over there. It is not the American tariff that is keeping them out.

MR. KELLOCK: No, it is not American tariff.

THE WITNESS: It is not saleable. They had to reduce their price for some reason, if they are below the market price of other fabrics produced in Canada, comparable fabrics produced in Canada in that year.

MR. KELLOCK: Q. Let me consider this aspect of it. I am told that this fabric weighs 12 pounds per hundred yards, but there is a loss of 25% in the manufacture, which would bringit to 15 pounds of raw silk per hundred yards - would that be right? A. Yes.

you put on a duty of 30%, you get a price of 66.3c; would that be right? A. Yes, sir.

Q. Now, that is still over 38 cents less than the American price? A. Yes.

Q. Is there any appreciable export of real silk fabric from Canada to the United States? A. You might notice that these are printed fabrics and that pattern may not be saleable in the United States.

Q. Well, take the piece dyed, it is 33 ¢ as against 75 cents. It is relatively the same pleasure? A. Yes, the same thing would apply, colours may change.

Q. I know - are not you guessing? A. No, I am not guessing. There may be that. They had to reduce the price here to sell in Canada.

THE COMMISSIONER: Canadian goods are not going over there. It is not the American tariff that is keeping them out.

MR. MELLOCK: No, it is not American tariff.

THE WITNESS: It is not saleable. They had to reduce their price for some reason, if they are below the market price of other fabrics produced in Canada, comparable fabrics produced in Canada in that year.

MR. MELLOCK: Q. Let me consider this aspect of it. I see that that fabric weighs 4 pounds per hundred yards, but there is a loss of 20% in the manufacture, which would bring up to 5 pounds of raw silk per hundred yards - would that be right? A. Yes.

THE COMMISSIONER: Is that piece dyed?

MR. KELLOCK: The printed, my lord. The last one. It applies to both, I am instrudted.

Q. Now, Mr. Hooper, raw silk at about $2.00 a pound? A. Yes.

Q. A hundred yards of raw silk, in the hundred yards of this fabric, would cost $30.00 or 30 cents a yard, would not it?

THE COMMISSIONER: How many yards are there?

MR. KELLOCK: 100 yards.

THE COMMISSIONER: How many pounds?

MR. KELLOCK: 15 pounds.

Q. So that means that the raw silk in a yard of that fabric cost 30 cents to manufacture before turning a hand on it? A. What was the loss, 25%?

Q. Yes, 25%? A. That is $2.50 a pound and divided by 12, 20 cents.

MR. WATSON: 12 pounds in the finished state would be 15 pounds in the raw state, in the shape into which the manufacturer puts it.

MR. KELLOCK: 15 pounds would cost $30.00? A. Yes.

Q. That is, 100 yards would cost $30.00, and one yard would cost 30 cents for the silk alone, is that right? There is 15 pounds in 100 yards, the raw silk costs $30.? A. There is 15 pounds in 100 yards and 12 pounds - you gave 12 yards per pound?

Q. Yes, that is finished, but you start off with

THE COMMISSIONER: Is that place yard?

MR. WALLACE: The printed, my Lord. The land and

It applies to both, I am instructed.

Q. Now, Mr. Hooper, raw silk at about $8.00 a pound

A. Yes.

Q. A hundred yards of raw silk, a two hundred yards of this fabric, would cost $8.00 or 4c. cents a would not it?

THE COMMISSIONER: How many yards are quarter?

MR. KILLOCK: 100 yards.

THE COMMISSIONER: How many pounds?

MR. KILLOCK: 15 pounds.

Q. So that means that the raw silk in a yard of the fabric cost 30 cents to manufacture before turning a hand on it? A. What was the loss, sir?

Q. Yes, sir? A. That is $8.00 a pound and divided by 15, 30 cents.

MR. WALLACE: 15 pounds in the finished state would be 15 pounds in the raw state, in the shape into which the manufacturer puts it.

MR. KILLOCK: 15 pounds would cost $30.00?

A. Yes.

Q. That is, 100 yards would cost $30.00, and one yard would cost 30 cents for the silk alone, is that right? There is 15 pounds in 1 . yards, the raw silk costs $30.00? A. There is 15 pounds in 100 yards and it costs - you get 12 yards per pound

15 pounds of the raw silk to get 100 yards of finished article.

MR. WATSON: Before dyed finished article.

MR. KELLOCK: Because there is a loss of 15%.

THE COMMISSIONER: I wish I followed this better. It seems to me, whatever your point is, you would make it better by another witness than putting it this way to Mr. Hooper.

THE WITNESS: I understand it.

THE COMMISSIONER: That is not the point. Mr. Kellock is getting indirectly what he could get directly.

MR. KELLOCK: I want to show briefly this, that this 39 cents, that the silk in this one yard costs to manufacture 30 cents. There is only 9 cents ---

THE COMMISSIONER: That is easily shown. What about it?

MR. KELLOCK: I want to ask Mr. Hooper if he suggests 9 cents is adequate to cover everything else so as to enable that fabric to be marketed on a reasonable basis at 39 cents unless there is something ---

A. The 9 cents does not provide for the cost of production, I will answer that way.

THE COMMISSIONER: I do not understand it yet. Why is it marketed apparently at a loss?

MR. KELLOCK: May I see the sample? Will you take it out, Mr. Hooper? 8840. A. (Mr. Hooper picks out sample out of Exhibit 869.)

Q. There is a slip in this fabric, is there not?

15 pounds of the raw silk to get 100 yards of finished article.

MR. LATSON: Before dyed finished article.

MR. KELLOCK: Because there is a loss of 15%.

THE COMMISSIONER: I wish I followed this better. It seems to me, whatever your point is, you would make it better by another witness than putting it this way to Mr. Hooper.

THE WITNESS: I understand it.

THE COMMISSIONER: That is not the point. Mr. Kelloc is getting indirectly what he could get directly.

MR. KELLOCK: I want to show briefly this, that the 39 cents, that the silk in this one yard costs to manufacture 30 cents. There is only 9 cents ---

THE COMMISSIONER: That is easily shown. What about it?

MR. KELLOCK: I want to ask Mr. Hooper if he supposes 9 cents is adequate to cover everything else so as to enable that fabric to be marketed on a reasonable basis at 39 cents unless there is something ---

A. The 9 cents does not provide for the cost of production, I will answer that way.

THE COMMISSIONER: I do not understand it yet. Why is it [illegible] expensive at a lower

MR. KELLOCK: May I see the sample? Will you take it out, Mr. Hooper? 3840. A. (Mr. Hooper picks out sample and [illegible]).

A. Yes.

Q. Well then, it is not first-class material?

A. Might be their first-quality in that range. I don't know what they call first-quality; other people may produce better quality,- is that what you are trying to show?

Q. No, when we were dealing with the cheap Japanese tafettas that came in one of the objections to it was among other imperfections, it had a slip and it was defective , and this is defective from the same standpoint, is it not? A. Yes. However, they make the same quality in the United States, that may be also defective.

Q. Yes, but they are getting 85 cents a yard for it, do not they, according to your Exhibit? A. Yes, that is right.

THE COMMISSIONER: Would you tell me what your point is?

MR. KELLOCK: That it is defective, is not first quality good, and that when you are comparing an article which has 30 cents of raw material in it, sells at 9 cents advance, which does not cover the cost of production, to compare that with an article that sells at 85 cents, it is not a fair comparison.

THE COMMISSIONER: Whenever you sell an article here under cost of production it is because of some defect in the article.

A. Yes.

Q. Well then, it is not first-class material?

A. Might be their first-quality in wet tape. I
don't know what they call first-quality; other people
may produce better quality,- is that what you are trying
ing to show?

Q. No, when we were dealing with the cheap japanes
taffettas that came in one of the objections to it
was, among other imperfections, it had a slip and it
was defective , and this is defective from the same
standpoint, is it not? A. Yes. However,
they make the same quality in the United States, they
may be also defective.

Q. Yes, but they are getting 35 cents a yard for
do not they, according to your Exhibit? A. Yes,
that is right.

THE COMMISSIONER: Would you tell me what your
point is?

MR. KNOWLTON: That it is defective, is not first
quality goods, and that when you are comparing an
article which has 30 cents of raw material in it,
sells at 9 cents advance, which does not cover the co
of production, to compare that with an article that
sells at 35 cents, it is not a fair comparison.

THE COMMISSIONER: Whenever you sell an article
your under-cost of production it is because of some
defect in the article.

MR. KELLOCK: Yes, my lord.

THE WITNESS: They have sold that same fabric, whether defective or not - I do not know whether this is a piece thrown out because defective, - but they have sold the fabric for four years here in Canada.

THE COMMISSIONER: Suppose we let these American articles come in customs free, we could not get them cheap enough, could we?

MR. KELLOCK: No. But my point is this:

THE COMMISSIONER: If you tell me what the point is then I will understand your question. Here is an exhibit which shows that your prices for silk sold in Canada are much cheaper than the same silk sold to the consumer in the United States by the American manufacturer. Well, what fault do you find with that?

MR. KELLOCK: I am finding fault, my lord, with the last, comparison of this last Exhibit.

THE COMMISSIONER: Are you afraid it might show you do not need any tariff protection?

MR. KELLOCK: No, my comparison is shown on the last item on this Exhibit.

THE COMMISSIONER: You have explained that because it is cheap article. What is your general quarrel with the Exhibit, which you think in the Exhibit that is pertinent to your cause?

MR. KELLOCK: The last item.

THE COMMISSIONER: Just that one thing?

MR. KELLOCK: Yes. In other words, we cannot manufacture here an article for 39 cents a yard which

them I will understand your question. Here is an exhibit which shows that your prices for silk sold in Canada are much cheaper than the same silk sold to the consumer in the United States by the American manufacturer. Well, what fault do you find with that?

MR. KELLOCK: I am finding fault, my Lord, with the last, comparison of this last Exhibit.

THE COMMISSIONER: Are you afraid it might show you do not sell cheaper?

MR. KELLOCK: No, my comparison is about on the same footing as the exhibit.

THE COMMISSIONER: You have explained that language is in many articles. What is your property against this one article, where you claim it has advantages that is superior to your rivals?

MR. KELLOCK: Yes, I have shown.

THE COMMISSIONER: Just what you claim.

MR. KELLOCK: Yes. In other words, my contention has

the American manufacturer gets 85 cents a yard for.

THE COMMISSIONER: Is that true all the way along the line? Take your piece goods dyed article.

MR. KELLOCK: It is the same thing, 2040. Your lordship sees the number.

THE WITNESS: This Exhibit is intended to show, my lord, that those fabrics as produced by associated textiles and by Cohen, Hall and Marx are sold at a lower price in Canada, than they are in the United States, and that is the statement made by the General Manager of Cohen, Hall and Marx, that they get less money for fabrics in Canada than they do in the United States. That is the statement and this is proof of it. If the samples are not quite right, it may bring up question like this, but it is his opinion and he is in a position to judge, that fabrics are sold at lesser price in Canada than the United States.

THE COMMISSIONER: He operates in both places?

MR. KELLOCK: Yes.

THE COMMISSIONER: Is not he one of your people?

MR. KELLOCK: Yes. Your lordship gets my point. I want to go up higher to the next one and your lordship will see there - take 1045, under printed part, in January, 1936, the Canadian price is 56 cents, and after that word "job" in brackets, American price is 90. Now, Mr. Hooper, what does "job" mean?

A. The line is closed out. The line that was made up, printed.

Q. Sold at a sacrifice? A. Say in 1935, it sold at a certain price below previous asking prices to clear it out, but the regular ---

Q. It was not regular selling price? A. You can go back to 1935, the regular price was 65 cents.

Q. Yes, but you have not got the comparable ---

THE COMMISSIONER: We have only a very few American prices here.

MR. KELLOCK: Yes, my lord.

THE COMMISSIONER: We have one on the first piece dyed, Canada 43, and United States 45, and the next one is "printed" Canada, 58, United States 65, and then come down to the ones you dealt with.

MR. KELLOCK: Yes.

THE COMMISSIONER: Those are the only American prices you have.

MR. KELLOCK: Yes, I have just those two observations about that.

THE COMMISSIONER: Perhaps I will understand it better if you tell me what you draw from this Exhibit, Mr. McRuer?

(Page 12206 follows)

Q. Sale of a particular A. Yes in 1948, if such as a minimum price below previous selling prices to start it out, but the regular ---

Q. It was not regular selling prices? A. You can go back to 1945, the regular price was so cheap.

Q. Yes, but you have not got the comparable ---

[illegible] We have only a very few [illegible] prices here.

MR. KELLOCK: Yes, my Lord.

THE COMMISSIONER: We have one on the first page dyed, Canada 45, and United States 45, and the next one is "printed" Canada, 38, United States 65, and the same down to the ones you dealt with.

MR. KELLOCK: Yes.

THE COMMISSIONER: Those are the only [illegible] prices you have.

MR. KELLOCK: Yes, I have just those two observations about that.

THE COMMISSIONER: Perhaps I will understand it when I hear it out, but the figures from this book [illegible]

MR. [illegible]

(Page 1320 follows)

MR. McRUER: It is a statement that will, I think, assist us when we get the rest of the story which is more or less disclosed in some of Mr. Howson's Exhibits. There has been a statement made here that internal competition grew up in the silk industry behind this high tariff wall, which has lowered prices. Well, we will find that internal competition did grow up, and there are certain prices, and then if those prices are prices that are reasonable and they are making profits on them, as I think we shall probably find out, it may be that it is not necessary to have such tremendous protection between here and the United States as there is.

THE COMMISSIONER: I see. Now we know where we are at.

-- The Commission adjourned at 5.10 p.m. to resume at 2.15 p.m. tomorrow, Wednesday, November 11, 1936.

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